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THE TIMES

The West End theatre: Why all those empty seats? Page 16

Government is set for £2,000m steel rescue

A £2,000m rescue package to keep the bankrupt British Steel Corporation going was foreshadowed by Sir Keith Joseph in the Commons yesterday. The corporation's financial crisis seems likely to produce more plant closures and redundancies. Much depends on the strategy of Mr Ian MacGregor, who takes over as chairman of British Steel next week.

Wider job losses in prospect

By Peter Hill
Industrial Editor

The Government is poised to approve a £2,000m rescue package for the bankrupt British Steel Corporation.

The magnitude of the state corporation's financial crisis came as a shock to MPs when disclosed by Sir Keith Joseph, Secretary of State for Industry, in the Commons yesterday.

Sir Keith urged British Steel's board to speed the corrective action already set in train. But the parlous state of BSC's finances suggests that Mr Ian MacGregor, the new chairman, will have to implement more closures and redundancies beyond those already annouced.

On present estimates the corporation believes it will require about £400m more of taxpayers' money this year beyond the £450m already allocated. The additional sum is roughly equivalent to the yield of a 1p increase on the standard rate of income tax.

Sir Keith's statement was described by Mr Edward du Cann, chairman of the Tory 1922 Committee, as the gravest statement on industrial matters that he had heard in the House. It had frightful economic and social implications, he said.

Mr John Silkin, Opposition spokesman on industry, placed blame for BSC's problems squarely on the shoulders of Government.

Sir Keith has accepted that the corporation will find it impossible to meet its break-even target for the current financial year but he emphasized at a press conference later that it remained the objective. He rejected suggestions that the Government's readiness to finance additional funds signified a U-turn in industrial policy.

In the last financial year British Steel recorded an estimated loss of £450m. Its troubles were exacerbated by the three-month-long strike at the beginning of the year. Extraordinary items covering closure and redundancy costs coupled with a write-down of non-interest bearing fixed assets will amount to a further £350m.

The writing-off of assets was foreshadowed in 1978 and will be used by the Government as the basis for the introduction of legislation to restructure the corporation's capital in the next parliamentary session.

Originally, the Government emphasized that the capital restructuring would not take place until British Steel restored itself to profitability. The external financing limit for the current financial year of £450m together with a package of remedial measures to be implemented by the corporation internally, were expected to ensure that the break-even target was met.

Sir Keith explained that earlier this month Sir Charles Villiers, who hands over to Mr MacGregor as chairman at the beginning of next week, informed him that an additional cash requirement of about £400m would be required.

The corporation suggested further measures to staunch the flow but the Government rejected them. This additional sum—which may well turn out to be larger—will await an up-to-date assessment from the new chairman of the corporation's trading position.

The Government was not had yet taken with sufficient satisfied that the corporation speed and determination all the action open to it to reduce its cash requirement in 1980-81, Sir Keith said.

Until Mr MacGregor submitted his proposals and the Government was satisfied that British Steel was taking the necessary measures, it was not prepared to reconsider the level of the external financing limit.

"Should the Government decide to advance additional funds, any money required would require a winter supplementary estimate and, if needed before then, would be provided by a repayable advance from the contingencies fund", Sir Keith added.

The Industry Secretary said at the press conference that, although the introduction of amending legislation to allow the liquidation of a state industry was possible," "it nas not an option which I have seriously considered and it would be unprecedented".

He emphasized that the objective of achieving a financial break-even remained unchanged. "It is delayed. I have to accept that it is unlikely to be achieved this financial year but I shall be expecting Mr MacGregor to break even as soon after this financial year as possible."

Holding operation: Suggestions of a government U-turn to bail out British Steel found ministers extremely touchy last night (writes Our Political Editor).

They preferred to see Sir Keith's statement as a holding operation; to the extent that it mentioned how the Government might arrange the money it was an attempt to restore confidence.

However, from the delicacy of comment and the great secrecy that had surrounded the past three weeks of discussions, it seemed likely that the Government had been aware of the looming disaster at the time it decided to appoint Mr MacGregor.

The belief that Mr MacGregor will either make drastic new closures or sales of existing plants, or both, was current among Labour MPs. Mr James Callaghan, leader of the Opposition, believes it possible that both the Llanwern and Port Talbot plants will close.

A wasteland in South Wales was the grim prediction heard in quarters close to Mr Callaghan.

Vatican says sick need not always be kept alive

From Peter Nichols
Rome, June 26

The Vatican today issued a statement on Euthanasia which reaffirmed its condemnation of the subject but said the life support systems of dying hospital patients could be suspended in certain circumstances.

The statement came from the Sacred Congregation for the Doctrine of the Faith and had the Pope's personal approval. It came after a number of requests from episcopal conferences throughout the Roman Catholic world on the proper approach to this delicate issue.

Pointing out that euthanasia in ancient times meant "an easy death without suffering", it said this original meaning now meant "some intervention of medicine whereby the sufferings of sickness or of the final agony are reduced, sometimes also with the danger of suppressing life prematurely".

It went on: "Ultimately the word euthanasia is used in a more particular sense of 'mercy killing', for the purpose of putting an end to extreme suffering, of saving abnormal babies, the mentally ill, or the incurably sick from the prolongation, perhaps for many years, of a miserable life, which could impose too heavy a burden on their families or on society."

Reference to the more familiar Catholic thinking on the subject came early in the statement. "It is necessary to state firmly once more that nothing and no one can in any way permit the killing of an innocent human being, whether a foetus or an embryo, an infant or an adult, an old person, or one suffering from an incurable disease, or a persno who is dying.

"Furthermore, no one is permitted to ask for this act of killing, either for himself or herself or for another person entrusted to his or to her care, nor can he or she consent to it, either explicitly or implicitly. Nor can any authority legitimately recommend or permit such an action. For it is a question of the violation of the divine law, and an offence against the dignity of the human person, a crime against life, and an attack on humanity."

As the statement pursued the subject more deeply, it moved ahead from the reiteration of past condemnations. "If there are no other sufficient remedies, it is permitted, with the patient's consent, to have recourse to the means provided by the most advanced medical techniques, even if these means are still at the experimental stage are not without a certain risk.

Continued on page 8, col 2

Photograph by Jonathan Player

Visitors looking at one of the portraits of Queen Elizabeth the Queen Mother in the exhibition to mark her eightieth birthday which opens at the National Portrait Gallery today.

White Paper on Ulster devolution goes ahead after Cabinet assent

By Fred Emery
Political Editor

Full Cabinet approval yesterday will allow the Government's proposals for devolving powers to Northern Ireland to be published next Tuesday or Wednesday, with a debate the following week in the Commons.

To the irritation of the Official Ulster Unionist MPs, who boycotted the constitutional conference earlier this year, the question of devolution telywill not be considered separately from the debate on the White Paper which must be held by July 16, the date of annual renewal of the present system of direct rule.

Mr James Molyneaux, leader of the Official Ulster Unionists at Westminster and Mr Enoch for Down South, yesterday sought in vain a ministerial statement in the Comons next week. But the Government, mindful of exposing Mr Humphrey Atkins, Secretary of State for Northern Ireland, to instant analytical questioning, prefers to publish its White Paper, and have Mr Atkins consult the parties in Belfast. Ministers last night pointed out that four of the Ulster parties were not represented at Westminster.

What were described in the Commons yesterday as "major constitutional proposals" by Mr Norman St John-Stevas, Leader of the House, are expected to include a number of possible executive and legislative options, with the Government refraining from expressing its preference.

The Government's stand on principle was said to be clear, however, with a commitment to seek the widest possible consent before deciding on the Bill to implement devolution in the next session of Parliament. An intriguing and potentially explosive notion of the "Irish dimension" was raised earlier at business questions in the Commons when Mr St John-Stevas remarked that the worst anomaly of the relationship between Britain and Ireland is that we should be separated at all".

He was said afterwards to be been expressing historical regret only. But its casualness feeds suspiciion. Mr Molyneaux last night told The Times that he deplored the fact that the Government was going beyond its manifesto commitment simply to restore government at local level.

That would have been workable, he said. Anything less than majority rule would be "rigged government", and "rigged not only to protect so-called minorities, but rigged to prevent policies the majority of people voted for".

Speaking of the assassinated former Tory spokesman on Ulster Mr Molyneaux said: "They turned Airey Neave's policies on their head".

The Labour Party's dispute over Northern Ireland was castigated by Mrs Margaret Thatcher yesterday. She termed "disgraceful", the call by the party's National Executive Committee to investigate alleged repression and torture in Northern Ireland prisons.

Mr Callaghan and other leading members of the Shadow Cabinet continued yesterday to express their opposition to the executive's resolution. They believe that it gives the impression that the Labour Party supports the complaints of the IRA, and that the small "safety catch" in the resolution, stating that the party "is implacably opposed to the programme and methods of terrorism", will be forgotten.

Five members of the Parliamentary Labour Party who are members of the party study group asked to investigate the accusations of repression and torture have demanded an early meeting of the group. This will take place early next week.

Meanwhile, three members of the study group, Mr Alex Kitson (chairman), Miss Joan Maynard, MP for Sheffield, Brightside, and Mr Tony Saunois, representative on the NEC of the Young Socialists, will be in Northern Ireland this weekend making their own investigations.

They will be accompanied by Miss Jenny Little, secretary of the party's international department, and Mr Geoffrey Bish, secretary of the research department.

At last night's poorly attended meeting of the Parliamentary Labour Party, Mr Kevin McNamara (Kingston-upon-Hull, Central) said the Opposition should demand that the Government's statement on Tuesday should be made in the Commons. Mr Michael Cocks, the Opposition chief whip, was asked to put the request to the Government.

Nato warns Russia it is prepared to rearm

From Michael Hornsby
Ankara, June 26

The 15 nations of the Nato alliance today served notice on the Soviet Union that they would never accept the Russian occupation of Afghanistan as a *fait accompli*, and that if necessary they would be prepared to shoulder the economic burden of a new arms race.

This was the clear signal to Moscow from Nato foreign ministers at the conclusion here of the regular two-day summer meeting of the North Atlantic Council, the first to be held since the Soviet invasion of Afghanistan at the turn of the year.

The meeting amounted to a carefully staged display of public unity designed to impress upon the Russians the futility of what Lord Carrington, the British Foreign Secretary, described as "wedg edriving"—the attempt to sow dissension between America and its European allies.

There have been fears in Washington that Herr Helmut Schmidt, the West German Chancellor, who visits Moscow on Monday for talks wit hPresident Brezhnev, might be susceptible to Soviet blandishments and leave the impression that the alliance was not united in its response to the occupation of Afghanistan.

At a closing press conference, Mr Edmund Muskie, the American Secretary of State, described himself as "pleased and gratified" by the show of unity, and in particular by the "very strong statement" on Afghanistan which had demonstrated the alliance's "failure to be seduced" by the partial withdrawal of Soviet troops.

The overall impression of marred by a disagreement between Mr Muskie and his European colleagues over the wording of references to the conflict in the Middle East, when it came to composing the final communiqué.

The EEC members wanted specific endorsements of the right of the Palestinians to "self-determination"—a right generally held to be the attribute of an independent state.

The use of the phrase was opposed by Mr Muskie, who explained afterwards that he did not think it "appropriate to include words subject to different interpretation".

As a result, the foreign ministers confined themselves to a judiciously-balanced statement which defended the rights of all states in the region, including Israel, "to live within secure, recognized and guaranteed boundaries". It also called for "the achievement of the legitimate rights of the Palestinian people".

On Afghanistan, the ministers denounced as "unacceptable this armed intervention and the attempts to crush the national resistance of the Afghan people by massive military force". They dismissed as "totally unconvincing" the arguments used by the Soviet Union to justify its actions.

Partial withdrawal of troops, recently announced by the Russians, the ministers declared, would "only be of interest if it were the beginning of a total withdrawal". It was vital that the Soviet Government should "be left in no doubt as to the extremely grave view which the allies take of this situation which jeopardizes world peace". This called for "a resolute, constant and concerted response on the part of the allies".

Commenting afterwards on Afghanistan, Mr Muskie said that "on the ground (the Soviet Army) appears to be hunkering down for a two or three-year stay in an effort to pacify the country". But this did not mean, Mr Muskie said, that the Russians could not be persuaded to change their minds.

The allies reaffirmed their commitment to the "pursuit of effective, balanced and verifiable measures of disarmament and arms control", and said that their governments wished to avoid "a competitive arms race".

The alliance also declared its plans for the deployment of 572 new long-range nuclear missiles in Europe, while at the same time seeking to engage the Soviet Union in serious negotiations aimed "at achieving verifiable limitations" on such weapons. The Russians alrdeay have large numbers of such missiles installed on their side of the frontier.

Nato support in Lisbon, page 8

Israeli security forces stay tight-lipped over murder of undercover agent

From Christopher Walker
Jerusalem, June 26

There was intense speculation in Israel today about the mysterious circumstances surrounding the murder of Mr Moshe Golan, aged 34, an experienced undercover agent.

Mr Golan worked for the Shin Beth, the country's efficient and highly secretive internal security service, which performs many of the same functions at Britain's MI5.

A two-line announcement, issued by the Israeli Defence Forces, revealed only that Mr Golan was killed yesterday inside Israel in what was described as "the line of duty". Officials refused to divulge any further details and all reports on the murder were subjected to strict military censorship.

It is widely believed that Mr Golan was involved in the so far unsuccessful investigation into the car bomb explosions earlier this month that severely maimed two militant Palestinian mayors from the occupied West Bank. No arrests have been made in the hunt for the bombers, who are thought to belong to a newly-formed Jewish right-wing terrorist group.

Although there were reports tonight that arrests had been made in connexion with Mr Golan's murder, it was not known whether those detained were Arabs or Jews.

At the time of the West Bank bombings, Mr Menachem Begin, the Prime Minister, pledged that an intensive investigation would be carried out and thte Shin Beth—a shortened form of the Hebrew words meaning security service—was put in charge. Subsequently, there have been angry complaints by lawyers acting for the families of the two Arab mayors that the authorities have not been pursuing ttheir inquiries with sufficient vigour.

Even the location of Mr Golan's murder was being kept secret today. It is understood to have been the first time for many years that an intelligence agent has been killed inside Israel. For this reason, it is causing great concern to the Israeli security authorities who maintain an almost obsessive about the operations of the Shin Beth, a much more shadowy organization than the legendry Mossad, which only operates abroad.

Most of the Shin Beth agents are amy officers, like Mr Golan, who joined the organization after he had reached the rank of major. Apart from the fact that his family came from Egypt and that he leaves a wife and three children, very little is known about him.

This afternoon Mr Golan was buried with full military honours in his home village of Magdiel. An indication of his importance n the intelligence network was given by the attendance of Mr Mordechai Zippori, the Deputy Defence Minister, who praised his undercover work and said that it had spared many lives.

To date, the Shin Beth's main activities inside Israel have concentrated on Arab terrorism and a highly effective network of informers has been built up among Arabs who are Israeli citizens.

Fisher plan 'upheaval' for Lloyd's

By Richard Allen
Insurance Correspondent

Lloyd's insurance market could face the greatest upheaval in its 300-year history as a result of sweeping recommendations contained in the Fisher working party report published today.

The report, entitled "Self-regulation at Lloyd's" and commissioned by Lloyd's itself, calls for major changes in the way the market is policed and advocates the imposition of stringent new controls on those who use the market.

Its three central recommendations are:

The creation of a new widely based 25-man Council of Lloyd's—along similar lines to that of the Stock Exchange but including three outside members approved by the Bank of England.

The transfer to the new council of the rule-making and disciplinary powers presently vested in general meetings of Lloyd's members.

Continued on page 21, col 3

Roman coins not to go to the Crown

A find of 7,800 Roman coins unearthed on a Lincolnshire farm by a man with a metal detector, belongs to the landowners, not the Crown, Mr Justice Dillon ruled in the High Court yesterday.

He said that the Crown's prerogative right to claim treasure trove is limited to hidden gold and silver objects. The coins, minted between AD 260 and 280 when the Roman Empire was suffering from inflation, are of low silver content and, therefore not silver coins, he said.

He declared they are not the property of the Crown, as had been claimed. The coins, worth between £15,000 and £20,000, have been held by the British Museum pending the ruling.

They will now have to be handed over to the family farming company of G. E. Overton (Farms) Ltd, on whose land they were found at Coleby, near Lincoln, in 1975.

A coroner's inquest ruled they were treasure trove, giving the Crown first rights.

The High Court case seeking a definitive legal ruling was brought by the Attorney General, for the Duchy of Lancaster on behalf of the Crown.

Law Report, page 6

3,000 to lose jobs as recession bites

More than 3,000 redundancies in central Scotland, the Black Country and rural Cheshire have been announced as the shake-out of labour in British industry continues. About 2,300 jobs are to be lost at BSR, which makes record changers, in East Kilbride and the West Midlands. Foden is cutting 630 jobs, a quarter of the workforce, at its plant at Sandbach, Cheshire Page 21

French neutron bomb

President Giscard d'Estaing revealed at a press conference that France had carried out successful trials on a neutron bomb. This new weapon could be ready for use by 1985. He also said that a decision would be taken by the end of this year on whether France will build a mobile nuclear missile launcher Page 7

Diplomatic link cut

Zimbabwe is to cut diplomatic ties with South Africa but maintain economic links, Mr Mugabe told the Salisbury Parliament. In Mr Nkomo's presence, the Zimbabwe Prime Minister also rebuked what he described as organized bands of Zipra troops still roaming the country and openly flouting the Government authority Page 8

Print union admits temporary defeat

The National Graphical Association has admitted temporary defeat in the seven-year dispute at T. Bailey Forman, publishers of the Nottingham Evening Post. But Mr Anthony Dubbins, the assistant general secretary, said the union in time would tr yto regroup and regain recognition at the company Page 2

Law change urged

The concept of "impossibility" in cases of attempted crime should be abolished, the Law Commission has recommended. Conspiracy to commit a crime should be an offence although the crime, unknown to the conspirators, could not have been committed. Such reform would help to fill the gap if the suspected person law was repealed Page 6

Bill on bail pleas

The Law Society has drawn up a private member's Bill to try to induce the Government to change the system under which many prisoners on remand cannot obtain legal aid to enable them to apply for bail Page 6

Eritreans' gas claim

Eritrean guerrillas claim that a quantity of lethal nerve gas, recently shipped from the Soviet Union, has been moved to areas of northern Eritrea for use by the Ethiopians against the rebels entrenched there Page 9

Labour public school plan modified

A modified version of Labour Party proposals to charge independent school pupils the full cost of their university education has been included in the final report of the party's education subcommittee, despite the opposition of a majority of the committee Page 4

Turkey's EEC delay

Turkey has been forced to delay its application to join the EEC because of an internal political crisis, although the Government still intended to apply before 1981 for full Community membership, the Foreign Minister said in Ankara Page 7

Television: The IBA named a board of nine for the fourth television channel to start in two years 6

Saturn surveillance: Preparations have begun to switch on the electronic scanners of the Voyager spacecraft which will make a reconnaissance of Saturn 6

Luxembourg: European Parliament hopes that EEC budget dispute will be settled with today's vote 7

Kuala Lumpur: Foreign ministers of Asean states warned Vietnam it must stop aggression if talks on Kampuchea were to be resumed 9

West Germany: Special Report on a country which, despite success, looks to the future with apprehension

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HOME NEWS

MPs are shaken by British Steel's warning of liquidation unless Government finds another £400m

By Hugh Noyes
Parliamentary Correspondent
Westminster

The announcement in the Commons yesterday by Sir Keith Joseph, Secretary of State for Industry, that the British Steel Corporation had *informed him that it would be* forced int oliquidation unless the Government could provide it with £400m on top of the external financing limit of £450m already agreed for the present financial year brought gasps of shock and astonish*ment from* MPs *on* both sides of the House.

Mr Edward du Cann, Conservative MP for Taunton, who is chairman of the influential Tory 1922 Committee, told Sir Keith that it was the gravest statement on industrial mat*ters he had ever heard in the* Commons and that it had frightful economic and family *implications.*

From the Labour benches Mr Leo Abse, MP for Pontypool, who later asked unsuccessfully for an emergency debate, spoke of the social tensions that the secretary of state's statement would create in the steel areas of Wales, with its implications of further savage cuts and redundancies.

The fanatical messianic course Sir Keith was following was leading the people of Wales *to believe that the Government* had taken leave of its senses, he said.

Mr John Silkin, opposition spokesman on industry, placed the blame for the state of the steel industry squarely on the shoulders of the Government. If the necessary steps had been taken last September there would *have been no steel strike* and the present situation would not have arisen.

The statement would cause great unhappiness and uncer*tainty in those areas of Scot*land, Wales and the North that were already suffering the worst unemployment figures since the war he added.

The gravity of the new crisis for steel appeared to have stunned MPs into a temporary *silence. The exchanges* with the secretary of state were unusually free of pointless heckling or party political skirmishes. But for all that there was no doubt of the anvieties and concern of the MPs from the many areas dependent on the steel industry.

Sir Keith, although expressing his distress at what was happening, was able to offer little consolation. Questioned on the likelihood of more closures and redundancies, he said that the new chairman, Mr Ian MacGregor, was bound to review the *capacity and the disposals* as well as matters such as overheads and stocks.

Ominously, he added that the Government was not satisfied that the corporation had yet taken all the action possible to reduce its cash requirement in 1980-81. The new chairman, who would take office next week, would need time to produce new proposals.

From the Tory back benches *Sir Anthony Meyer,* MP *for* Flint, West, said that the grave announcement served further to increase the fears of many that pouring more and more money into propping up what remain edof the steel industry would be endangering more jobs than were being saved.

Another Tory, Mr Michael Grylls, MP for Surrey, North-West, felt that the deteriorating position of British Steel indicated "a deplorably inadequate financial control within the corporation and more than justified Sir Keith's *determination* to get the best man as chairman.

To another Conservative, Mr John Bruce-Gardyne, MP for Knutsford, Sir Keith said that he would certainly not stand in the way if British Steel wished to dispose of its assets where suitable.

He said that Labour MPs should not encourage the concept that people could continue to work making goods that nobody wanted to buy. If money was taken to support production that nobody wanted, *other jobs would be destroyed.*

Mr Healey tops leadership survey

By John Witherow

A Thames Television poll showed last night that 40 per *cent of Labour MPs would vote* for Mr Denis Healey as the leader of the party if Mr James Callaghan resigned.

The survey, shown on the *programme, TV Eye,* and answered by 109 of the 267 Labour MPs (nearly two thirds of the total), gave Mr Wedgwood Benn 21 votes, or 19 per cent, Mr John Silkin 16 votes, Mr Michael Foot and Mr Roy Hattersley seven each, and Mr Peter Shore six votes. Mr Healey got 44 votes.

The survey also showed that about half were in favour of Mr Ian Mikardo's proposal for optional submission for reselection of Labour candidates, with only 29 per cent supporting *mandatory reselection.*

About 54 per cent of the MPs, were against the Labour Party commission's plan for an electoral college to choose the party leader, and 113 MPs thought that both the Shadow Cabinet and the national executive committee should draw up the party manifesto.

Mr William Rodgers, spokesman on defence, who is on the right wing of the party, said on the programme that not too much could be read into the figures, but Mr Eric Heffer, a left-winger, said that "undoubtedly there is a good, strong current running for Denis Healey in the Parliamentary Labour Party".

Mr Rodgers said: "There are some people in the party who want to take power away from Parliament. They want to make Members of Parliament more creatures of the party caucus ... and shift power significantly and shift it to the left".

There was a real danger of MPs becoming puppets on a string. MPs had responsibilities both to their constituencies and to their consciences.

"*If* we become other people's creatures we would not be worthy of being Members of Parliament."

Mr Heffer said that there was a "tremendous feeling" among constituency parties that they should have some say in electing the leader.

NGA admits temporary defeat in seven-year dispute at Nottingham but plans to regroup

From Our Labour Editor
Blackpool

The National Graphical Association has admitted defeat, if only temporarily, in the seven-year dispute at T. Bailey Forman, publishers of the Nottingham Evening Post.

The craft print union has instructed its remaining twenty or so members still working for the company to withdraw their labour from next Monday, and will *remove* the newspaper office from its "recognized list".

Mr Tony Dubbins, assistant general secretary, told the NGA conference in Blackpool yesterday that the decision had been taken because further *co-ordinated action* by print unions was unlikely. "This is one we will have to pull away from, and recognize we have lost."

In time the NGA would try to regroup and regain recognition, as it had after a similarly *drawn-out dispute* with a Kent publishers.

The Nottingham dispute became something of a cause célèbre in the labour movement. It started as an inter union dispute in 1973, after which union recognition was withdrawn by the company. At the beginning of 1979 more than two dazen members of the National Union of Journalists were dismisssd after taking part in an official strike. Since then there have been several mass pickets of the Nottingham offices of the paper.

"We think it is an absolute tragedy that the company was never prepared to sit down and negotitate with the unions. Despite the intervention of outeide bodies *like Acas we have* never got any sense out of them."

NGA leaders suspect that some of their older members at the company who still retain union cards will quit the union and stay on, but those who follow the instruction will be found work in the area.

The Nottingham *Evening Post* is thought to be the only newspaper in the country where front-end technology is fully operational. It allows journalists and advertising clerks to *set copy using* a computer. Disagreement about the use of computer setting was at the heart of the dispute at *The Times* last year, and the conference yesterday heard of the high cost of that and other confrontations.

Delegates were told that the union's finances were in a "very serious" state after the expenditure of more than £1.8m on two big disupes at Times Newspapers and in provincial printing.

The NGA has had to realize £500,000 of government stocks to meet the rapidly rising cost of administration, which eats up *78p of every pound paid in sub*scriptions.

Mr Colin James, financial secretary, said that the half-yearly surplus up to March 31, 1980, was only £55,000. "This is a paltry amount and represents approximately the running costs of the NGA for *nine days*".

Benefit paid out in the recent long dispute with the Newspaper Society and the British Printing Industries Federation totalled £1,744,190; in the previous half-year some £600,000 was paid out, the bulk of it to members in dispute with Times Newspapers.

Although the union's fund stood at more tha[n] ... and a 28 per cent inc[rease in] contributions was due [to take] effect next month, thi[s would] be completely negated [if the] NGA was unable to ... effectively the rate at [which] expenditure was increa[sing].

Mr Joe Wade, the ... secretary, disclosed t[hat the] Society of *Lithographic* [Artists,] Designers, Engravers a[nd Pro]cess Workers had pro[posed the] reopening of merger dis[cussions] as "a matter of urgenc[y]".

He envisaged that fi[nal pro]posals for a merger wi[th SLADE] would be ready in the n[ext few] months, "certainly wi[thin a] year", and during th[at time] amalgamation talks wo[uld con]tinue with the Soci[ety of] Graphical and Allied T[rades].

Progress towards the objective of one gre[at] powerful *union* for the i[ndustry] was slow but it was co[ntinuing.] If the unions did not m[ake the] most of the present ... inspired amalgamation ... ment, a decade of mor[e bitter] and mutually destructiv[e conflict] would ensue.

Five unions to attend crucial 'Observer' tal[ks]

By Dan van der Vat

The crucial meeting on the future of The Observer scheduled for next Monday evening is to be attended by the general secretaries of all five principal printing unions, it was disclosed last night.

The *newspaper* is threatened with abandonment by its American owners unless the *London management* and the main craft union, the National Graphical Association, come to terms on new printing arrangements by Tuesday.

The management wants to be in a position to produce papers of up to 64 pages in four sections during a single, 13-hour printing operation from Saturday afternoon to early Sunday morning to eliminate costly midweek printing. The NGA wants more money for that than *the management is prepared to* pay.

Mr Joe Wade, general secretary of the NGA, *will be accom*panied by his colleagues from the other *unions because, it is* understood, of the implications for their own members in the event of a final breakdown. *No* talks between management and the NGA are expected at either national or "in house" *level* before the Monday encounter.

The other union participants will be Mr Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel; Mr Kenneth Ashton, *of the National Union of Jour*nalists: Mr John Jackson, of the Society of Lithographic *Artists, Designers, Engravers* and Process Workers; and Mr William Keys, of the Society of Graphical and Allied Trades.

The Management is offering £92 to NGA machine minders for producting a 48-page paper in the one long shift, with a *flat payment of £3.25 for higher* paging. The union accepts the £92 basic payment but wants *an extra £7 per eight additional* pages printed, which would *mean £99 for 56 pages and £106* for 64 pages. The "collect printing" process envisaged imposes pagination in *multiples of eight.*

There was evidence last night that there is more to the impending "last ditch" confrontation than the difference between £3.25 and £7. As a journalist on The Observer put it: "Can there really be a serious threat of closure over what amounts to a mere 34p a page?"

The management is understood to believe that if it accepted all the present NGA demands it would have to find an extra £500,000 a year to meet them, an increase in cost said to ammount to 15 per cent.

The union wants an increase in manning from the present 28 machine minders to 40 or even 48, although NGA sources at national level maintain that the *only* oustanding difference is over pay.

There have also [been] demands for bonuses fo[r work]ing at higher press spe[eds and] *for a reduction of one* ... hours to be worked.

Last month the A[merican] owners, Atlantic Richfi[eld Cor]poration (ARCO), th[e Los] Angeles-based oil c[ompany] which bought the pape[r at the] end of 1976, told the ... management that it wou[ld with]draw unless agreeme[nt was] reached by July 1 (the ... *deadline* was June 18) ... Americans want the p[aper to] break even and are unc[lerstood] not to be *prepared to* ... their investment of £20m.

The management set ... save £60,000 a week as ... its scheme to stabilize th[e] paper in time to profit f[rom an] expected increase in ... ing revenue in the aut[umn. A] settlement now, befo[re the] summer holidays, will ... possible to end the ... *troubles* of the new ... arrangements.

Whitehall union's protest

By Our Labour Staff

Civil servants are being urged *to take time off from work* today to protest against the dismissal of two union activists working in a south London unemployment benefit office.

The Civil and Public Service Association, the largest civil service union, has mounted a campaign for the reinstatement of Mr Philip Corddell and Mr *Richard Cleverley, who were* dismissed from the office at Brixton for allegedly taking *time off without permission.*

It claims that the men told their management that they would take time off to carry out union business.

Mr Terry Ainsworth, union national officer, said last night that he hoped members in government departments would hold meetings to draw up protest telegrams to Mr James Prior, Secretary of State for Employment. A petition would *be handed in to the department* and union members in the Brixton office would continue *a three-day strike.*

The union hoped to win a reversal of the dismissals when the cases went before an appeals tribunal next month

Workers hostile to 12% pay rise ceiling

By David Felton
Labour Reporter

Union leaders yesterday reacted with varying degrees of hostility to the Government's hopes that pay rises for its employees can be restricted to 11 to 12 per cent in the next wage round.

Public sector unions said that the ywould be seeking increases in line with the rate of inflation, which ministers hope will have fallen to below 20 per cent when the round starts.

Local government manual workers and National Health Service ancillary workers are likely to provide on of the first tests of the Government's resolve.

Mr Mick Martin, national officer of the Transport and *General Workers' Union, who* negotiates for about 250,000 manual workers in the public sector, predicted last night: "There will be another winter of discontent this year, and it will make last year look like a tea party".

The desire of ministers to aim for a 10 to 11 per cent pay target, reported in *The Times* yesterday, *is an indication of the* Prime Minister's determination to set an example for private sector employers in the Government's battle against inflation.

In spite of warnings by Sir Geoffrey Howe, Chancellor of the Exchequer, that union demands for increases in line with *the inflation rate would* "verge on the suicidal", unions appeared yesterday to be determined in their attempts to maintain their members' real earnings value.

Mr Martin said: "There is no way with their policies that the Government is going to get away with 11 or 12 per cent. They are causing 20 per cent *inflation,* high unemployment and cuts in the public sector, and negotiators will be pressing for nothing less than increases which cover the rate of inflation".

Another crucial test will be the attitude of the miners, who will discuss at their conference at Eastbourne next month, demands for a £100-a-week mini*mum wage, compared with the* present minimum for the lowest paid surface workers of £73.65 a week.

The miners and groups of workers in other critical areas such as gas and electricity won increases near the rate of in*flation in the wages round that* is just ending, while other workers in the public sector settled mainly for increases *in* line with the 14 per cent.

Musicians float a protest and BBC puts its case

By Kenneth Gosling

BBC management representa*tives* spent an hour yesterday with officials of the Advisory, Conciliation and Arbitration Service *explaining* the background to the dispute with the Musicians' Union, which will present its case to Acas today.

After that meeting a decision will be made whether there are sufficient grounds to invite the parties to a joint meeting.

The union intends today to stage a floating protest outside the Houses of Parliament. A 62-piece orchestra will take to the river and play selections to members under the baton of Anthony Hopkins.

"We will go on until we are arrested or sunk", a union official said last night.

The American Federation of Musicians, with 327,000 members, has passed a resolution during it sannual convention supporting the British union's action and condemning the BBC.

Engineering pay claim likely to exceed 20%

Engineering industry workers would make a pay claim of more than 20 per cent this year if the present rate of inflation continued, Mr Terence Duffy, president of the Amalgamated Union of Engineering Workers, said yesterday.

He told the annual meeting of the Confederation of Shipbuilding and Engineering Unions at Llandudno: "I forewarn the employers: if the cost of living index is up 21 per cent as it is now, they cannot expect us to accept anything less than that".

The meeting approved a substantial increase claim to be put to the Engineering Employers' Federation to date from next November.

That was a compromise between the employers' "*substantial*" *proposal* and the transport union's wish to pursue a £100 weekly basic rate claim for craftsmen, compared with the present £73 a week.

Most fishermen not train[ed] in survival, report says

By David Hewson

Training standards for Brit*ish fishermen are severely* criticized in a report published today. The survey says that more than half of fishermen have not had any training in survival, fire-fighting and first aid, and that many school-leavers go to sea without any formal instruction.

It says that "juveniles can go to sea in this most dangerous *of industries without any pre*paration . . . some experienced and successfud skippers are untrained in fire-fighting and admit that they are ill-prepered to cope if their ships catch fire, and ships put to sea with a minimum of trained men and any activity requiring skills, eg net mending has to be undertaken ashore".

The report was commissioned by the Sea Fisheries Training Council, a voluntary body set up in 1978 by the fishing industry and supported by the Manpower Services Commi[ssion to] investigate the industry['s train]ing difficulties and ... programmes to meet t[hem].

Mr Frank Metcal[fe, the] council's chairman, said [yester]day: "Outside the lar[ger ports] there is no organiza[tion to] identify and see to ... needs, and such trainin[g as is] carried out is left to ... *dedicated teachers in* ... who provide what th[ey can] with limited runds."

But the report's findi[ngs were] rejected by the Natio[nal Fed]eration of Fishermen's [Organis]ations, which represents ... fishermen. Mr Nigel At[hinson] director general, said y[esterday] that the federation ha[d with]drawn from the council, [which] it felt was dominated by union interests.

"We do not think central coordination by a government body is nec[essary] because individual (tr[aining]) schemes are run at indi[vidual] ports.

Party workers canvassed on nuclear policy

By Our Political Staff

The Labour Party is sending out a questionnaire to thousands of party workers and trade unionists asking their views on nuclear energy and its relation to the environment.

When the replies have been assessed the party's national executive committee will start drawing up a policy statement.

The questions include: Can our energy demands for the future be met within existing resources, given a Labour government's commitment to restore full employment? What contribution should alternative renewable sources ake to our future energy needs? How serious will be the environmental effects of using them on a large scale?What contribution should nuclear power make to *our future energy needs? What* are the risks?

Labour MP may stand as independent

By Our Political Staff

Mr Neville Sandleson, Labour MP for Hilingdon, Hayes and Harlington, who is involved in a battle with militants in his constituency party, hinted last night that he may stand as an independent in the next general election.

He has informed his constituency party that he would do his utmost to ensure that his constituents were not represented at Westminster by anyone committed to support the policies adopted at Labour's recent one-day *special conference.*

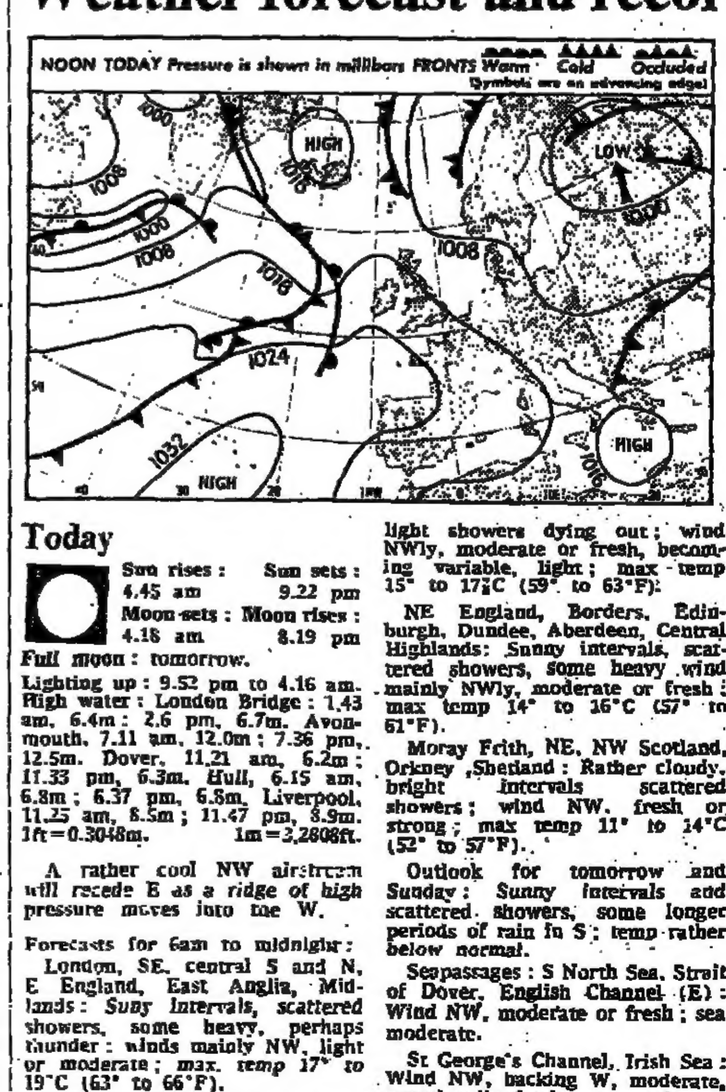
Mr Sandelson said: 'I shall make sure that no Labour candidate will win in Hayes unless he is firmly committed *to the defence of the country,* the Western alliance and to social democratic policies".

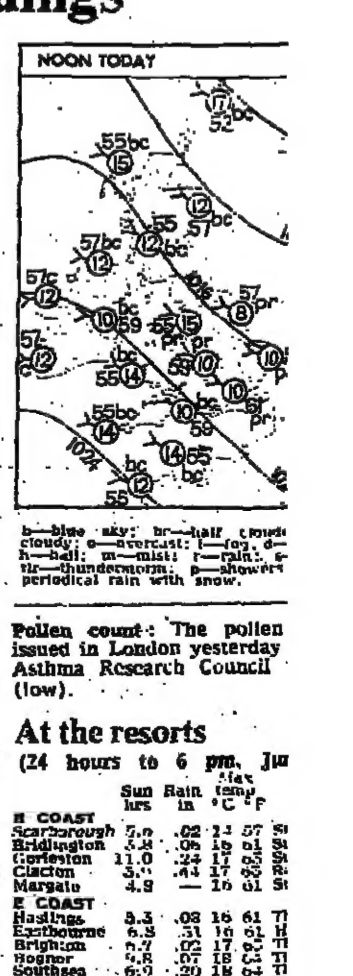
Two accused of aiding escapers

Two men were accused yesterday of helping three dangerous criminals to break out of Barlinnie prison in Glasgow *last Sunday.*

Mr Thomas Campbell, aged 27, of Horndean Crescent, Easterhouse, and Mr Thomas Lafferty, aged 35, of Knockhall Street, Garthamlock, both of Glasgow, appeared in private at the Sheriff's Court and were remanded in custody.

Weather forecast and recordings





b—blue sky; bc—half cloud... cloudy; o—overcast; f—fog; d— h—hail; m—mist; r—rain; s— th—thunderstorm; p—showers; periodical rain with snow.

Today

Sun rises: 4.45 am. Sun sets: 9.22 pm
Moon sets: 4.18 am. Moon rises: 8.19 pm
Full moon: tomorrow.

Lighting up: 9.52 pm to 4.16 am. High water: London Bridge: 1.43 am, 6.4m: 2.6 pm, 6.7m. Avonmouth, 7.11 am, 12.0m; 7.36 pm, 12.5m. Dover, 11.21 am, 6.2m; 11.33 pm, 6.3m. Hull, 6.15 am, 6.8m; 6.37 pm, 6.8m. Liverpool, 11.25 am, 8.5m; 11.47 pm, 8.9m. 1ft=0.3048m. 1m=3.2808ft.

A rather cool NW airstream *will recede E as a ridge of high* pressure moves into the W.

Forecasts for 6am to midnight:

London, SE, central S and N, E England, East Anglia, Midlands: *Suny intervals,* scattered showers, some heavy, perhaps thunder: winds mainly NW, light or moderate; *max. temp* 17° to 19°C (63° to 66°F).

Channel Islands, SW England, S Wales: Sunny intervals, isolated mostly light showers, cloudy wind NWly, moderate or fresh, backing W, light or moderate: max temp 15° to 17°C (59° to 63°F).

N. Wales, NW England, Lake District, Isle of Man, SW Scotland, Glasgow, Argyll, N. Ireland: Sunny intervals, scattered mostly light showers dying out; wind NWly, moderate or fresh, becoming variable, light; max temp 15° to 17°C (59° to 63°F).

NE England, Borders, Edinburgh, Dundee, Aberdeen, Central Highlands: Sunny intervals, scattered showers, some heavy wind mainly NWly, moderate or fresh; max temp 14° to 16°C (57° to 61°F).

Moray Frith, NE, NW Scotland, Orkney, Shetland: Rather cloudy, bright intervals scattered showers; wind NW, fresh or strong; max temp 11° to 14°C (52° to 57°F).

Outlook for tomorrow and Sunday: Sunny intervals and scattered showers, some longer periods of rain in S; temp rather below normal.

Seapassages: S North Sea, Strait of Dover, English Channel (E): Wind NW, moderate or fresh; sea moderate.

St George's Channel, Irish Sea: Wind NW, backing W, moderate, occasionally fresh; sea moderate.

Yesterday

London: Temp: max 7 am to 7 pm, 20°C (68°F); min 7 pm to 7 am, 12°C (54°F). Humidity, 7 pm, 60 per cent. Rain, 24hr to 7 pm, 0.05in. Sun, 24hr to 7 pm, 37hr. Bar, mean sea level, 7 pm, 1,011.9 millibars, rising.
1,000 millibars =29.53in.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; d, drizzle; f, fair; r, rain; s, sun; th, thunder.

		C	F			C	F			C	F			C	F
Akrotiri	s	30	86	Cardiff	r	16	61	Las Palmas	c	23	73	Nice	f	23	73
Algiers	s	29	84	Cologne	d	13	55	Lisbon	s	23	73	Oslo	r	13	55
Amsterdam	f	16	61	Dublin	f	17	63	Locarno	r	14	57	Paris	f	17	63
Athens	s	30	86	Edinburgh	c	14	[illegible]	London	f	17	63	Reykjavik	s	10	50
Barcelona	f	22	72	Florence	c	22	72	Luxemburg	c	14	57	Rome	f	24	75
Belfast	f	14	57	Funchal	c	23	73	Madrid	s	24	75	Ronaldsway	f	15	59
Berlin	f	18	64	Geneva	c	16	61	Majorca	f	29	84	Stockholm	r	17	63
Biarritz	c	15	59	Gibraltar	s	30	86	Malaga	s	26	79	Tel Aviv	s	27	81
Birmingham	f	16	61	Guernsey	f	13	55	Malta	s	32	90	Venice	f	17	63
Bristol	th	15	59	Helsinki	f	19	66	Manchester	th	15	59	Vienna	c	19	66
Brussels	f	17	63	Innsbruck	c	19	66	Moscow	c	17	63	Warsaw	c	18	64
Budapest	c	21	70	Jersey	f	15	59	Naples	f	24	75	Zurich	f	17	63

Pollen count: The pollen ... issued in London yesterday ... Asthma Research Council ... (low).

At the resorts

(24 hours to 6 pm, Ju...

	Sun hrs	Rain in	Max temp °C	°F	
E COAST					
Scarborough	5.0	.02	14	57	Su
Bridlington	5.8	.06	16	61	Su
Gorleston	11.0	.24	17	63	Su
Clacton	5.9	.44	17	63	Ra
Margate	4.9	—	16	61	Su
S COAST					
Hastings	5.3	.08	16	61	Th
Eastbourne	6.8	.31	16	61	H
Brighton	6.7	.02	17	63	Th
Bognor	9.8	.07	18	64	Th
Southsea	6.9	.20	18	64	Th
Sandown	9.3	.03	18	64	Th
Exmouth	8.0	.57	17	63	Th
Torquay	5.7	.53	17	63	Th
Falmouth	10.5	—	17	63	Su
W COAST					
Morecambe	11.5	.01	17	63	Su
Blackpool	11.3	—	17	63	Su
Anglesey	10.4	—	16	61	Su
Newquay	14.1	—	16	61	Su

Overseas selling prices
Australia $2; Austria Sch 20; ...
BD 0.600; Belgium B frs 30; ...
Pes 80; Cyprus 400 mils; ...
Dkr 5; Finland Frk 5; France ...
Germany Dm 3.50; Greece ...
Holland Gl 2.25; Iran Rials 1...
ID 0.430; Irish Republic 20...
L1100; Jordan JD 0.375; ...
KD 0.500; Lebanon L...
Luxembourg Lf 30; Madeira ...
Malta 30c; Morocco Dir 5.00; ...
Kr 5.00; Oman OR 0.640; ...
Rps 10; Portugal Esc 50; ...
QR 6.00; Saudi Arabia SR ...
Singapore $45; Spain Pts 75; ...
Skr 5.00; Switzerland Sfrs 2.7...
LS 4.00; Tunisia Din 4.50; ...
Canada $1.50; UAE Dh ...
Yugoslavia Din 40.

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HOME NEWS

Juveniles persisting in vandalism and violence should be named in court, chief constable urges

From Christopher Warman
Local Government Correspondent
Eastbourne

Juveniles who persisted in crimes of violence and vandalism should be named in court, Mr Christopher Payne, Chief Constable of Cleveland, said yesterday.

He told the annual conference at Eastbourne of the Association of District Councils that it was questionable whether they should be protected by anonymity.

"The publication of names in specific circumstances might be justified in the interests of protecting the public and might bring home to parents the realization of their responsibilities", he said.

It was estimated that vandalism cost up to £100m a year, of which about £15m was caused at schools and in the building industry damage or replacement of materials was estimated to be 3 per cent of the total cost of building.

Mr Payne also expressed concern about the "serious and growing malaise" of juvenile drinking, which was a contributory factor to the level of violence and vandalism.

The attitude and behaviour of adults, the style of modern advertisements, the ease with which alcohol could be bought, and encouragement of youngsters to frequent discos and licensed premises were largely responsible. The police could help by improved supervision, but the remedies lay in the hands of other people.

There was a strong case for the "short, sharp shock" treatment recently introduced by the Home Office. "There is no doubt that many offenders would benefit by a short but traumatic deprivation of liberty, and it is to be hoped that the experiment will be successful", Mr Payne said.

There would also be advantages in expanding community service orders to juvenile offenders. Wrongdoers would be making reparation not in financial terms but by physical effort, and it also might make them realize the time and effort it took to rectify somethingl that had been destroyed in seconds.

Punishment was the ultimate sanction against vandalism, and local authorities should take steps to prevent vandalism, but tthat would cost money.

Preserving the environment was most important. "It may be an uphill battle, but almost without exception where the authorities have persisted by repairing damage, replacing trees and shrubs, getting rid of disfigurement, they have eventually overcome the problem.

"Maintenance is vital and it should not bear the brunt of spending cuts", Mr Payne said. Damage, however caused, ought to be made good without delay because failure to do so might result in further damage.

He urged the recruitment of more staff, including park keepers. "It have little doubt that the gradual disappearance of the resident park keepers from our public parks and gardens and their replacement by mobile patrols has left these areas more vulnerable to attack".

In spite of the cost of employing more staff, there was merit in examining the measures for protecting parks, includin gthe employment of park keepers.

"Financial restraints will continue to preclude many worthwhile projects, particularly those which involve expenditure on manpower. None the less, we must continue to exploit every means at our disposal to combat vandalism."

Mr Payne said that it was necessary to change attitudes among the potential vandals, among the general public and among official bodies. There was an important social education role for all public institutions to promote the twin concepts of civic rights and civic responsibilities, building up from the family to the neighbourhood and to the whole of society.

"Such closer links with the community must also effectively involve the police, since the prevention of crime and law enforcement cannot be achieved in isolation.

"Indeed, I would say that policing is no more a matter for the police alone than caring for the elderly or handicapped is a matter for social services alone or urban planning is a matter for planners alone."

Several delegates pointed out to Mr Payne that he was asking them to spend more money when the Government was telling them to make further cuts in expenditure.

He replied: "I know money is limited; it is a question of priorities. Count up the bill for vandalism and you may think some of it can be saved by spending in other ways".

Sweeping in: Some of more than 250 Government office cleaners who arrived in London yesterday to mount a lobby of Parliament. They were protesting against the decision to make 68 cleaners in the Ministry of Defence redundant and give the work to contract cleaners, and they also sent a deputation to Downing Street to hand in a letter to Mrs Margaret Thatcher. The women made redundant are members of the Civil Service Union and they were supported by members of the Civil and Public Services Association and the Transport and General Union. The union claims cleaners are poorly paid, a singled out for "especial treatment" by the Governm

Diving centre denies 70% profit

From Ronald Faux
Edinburgh

The operators of the underwater training centre at Fort William, Highland, which trains divers for the North Sea oil industry, yesterday strongly rejected criticism by the Commons Public Accounts Committee that the financial arrangements for running the centre were "unstatisfactory".

The committee alleged that Shenley Trust Services, who operate the centre for the Manpower Services Commission (MSC), had been allowed to make a 70 per cent profit.

In a leter yesterday to Mr Joel Barnett, Labour MP for Heywood and Royton and committee chairman, Shenley, complained about important errors in the report

A detailed submission will be made to the committee, after which Shenley expect any such damage to be corrected.

Shenley Trust Services are industrial consultants who have operated the diving centre since it opened in January, 1975.

The future of the centre is nder review this week by Mr Hamish Gray, Minister of State at the Department of Energy.

The centre was opened to provide proper diving training after a series of fatal accidents in the North Sea.

It is acknowledged that the centre has helped significantly to reduce the accident rate in the North Sea

Mr Jamie Guise, financial director of Shenley, said yesterday that the bulk of material published in the report related to a meeting held last November. In the past week the MSC had given assurances that the training centre was not under threat of closure

Mr Guise insisted that Shenley had acted properly in its contract with MSC. He denied that a 70 per cent profit had been made. "What the contract allows us to do is to recharge our attributable costs, which are our direct costs, and also to charge a fee of £35,000 a year tied to the retail price index. The background to that was that Shenley carried out a lot of work before the centre opened."

At that stage, he said, they asked for payment based on a percentage on overall turnover and reached a figure of £175,000. The MSC rejected that in preference for payment over the five years of the contract.

Mr Guise said if they had been paid in one initial sum the "profits" suggestion would not have been made.

Call to train teachers for mixed race society

By Our Education Correspondent

All student teachers should be trained in how to teach in a multiracial society, the National Union of Teachers says in evidence to the Aampton Committee of inquiry into the education of children from ethnic minority groups, published today.

Research evidence suggests that where the social circumstances of children are matched West Indian pupils are capable of equalling the achievement of their classmates, it says.

"The union is therefore hopeful that if measures are taken to achieve a climate of welcoming acceptance of cultural and ethnic diversity in our community, children who may have had to contend with a hostile environment stemming from racial prejudice in society at large will gain in confidence and selfrespect, which is the key to increasing motivation and decreasing alienation."

All student teachers should be given an awareness of the cultural and linguistic diversity in Britain; should be taught how to counter racial prejudice and stereotyping; and given information on Creole and other West Indian dialects.

The union calls for the development of diagnostic tests suitable for West Indian children. Conventional tests are often culturally biased and their results misleading, it says. That can lead to West Indian children being wrongly assessed and placed in special schools or classes for the educationally subnormal.

It also calls for the employment of more black teachers so as to raise the self-esteem, morale and motivation of black pupils.

The motivation of West Indian pupils in school is profoundly affected by their employment prospects. Many of their parents are employed in unskilled or low-status jobs, or are unemeployd.

Health service winter likely to be free of discontent, minister says

By Annabel Ferriman
Health Services Correspondent

The "winter of discontent" was a turning point in the National Health Service: staff would be extremely reluctant to embark on such a course again, Mr Patrick Jenkin, Secretary of State for Social Services, said yesterday.

He told the annual meeting of the National Association of Health Authorities in London that despite the apparent militancy of the ambulancemen at their union conference, he did not think that the health service would be disrupted this winter.

"While we should not cash in on the unwillingness of people to start disruptive action, I hope that union leaders who think they can secure such action again will take full account o ftheir members' feelings. I do not think there is stomach for that fight again."

Mr Jenkin was referring to remarks made last week by Mr Terence Mallinson, a negotiator for ambulancemen, at the conference of the Confederation of Health Service Employees (Cohse), who said that industrial action could occur this winter if the Government made an unrealistic pay offer.

Mr Jenkin said that it was up to health authorities and the managements they employed to stand up to anyone who tried to victimize staff refusing to take action. "You will be backed 110 per cent by the Government. It is up to you, but by God, I will back you all the way."

He told the conference that he would like to see more funds the health service generated locally through some form of health insurance. The royal commission, which had dismissed the idea of an insurance-based scheme, hod not weighed fully its potential advantages, he said, so the Department of Health and Social Security had started its own study.

Mr Jenkin, accused by one member of the conference of wanting to run the health service on raffle tickets and tombola stalls, said that the NHS was one of only four services that had been allowed some measure of real growth this year, the other three being defence, the police and the social security programme.

Earlier in the conference Mr Cecil Clothier, the Health Service Ombudsman, reiterated his demand that he should have powers to initiate investigations instead of having to wait for a complaint from a patient.

He had had a complaint from the Patients' Association about a man who posed as an orthopaedic surgeon and carried out 29 operations before he was discovered. The association told him that the health authority involved was not intending to tell any of the patients concerned, none of whom had complained.

Mr Clothier said he could do nothing about it because he could deal only with complaints from individuals not from consumer groups. He had made sure, however, that by other means all the patients had been reexamined to ensure that they had not suffered ill effects.

He called for improved communications in the health service, saying that a high proportion of complaints coming to him resulted from lack of information.

"My impression is that the greatest need is for improved communication between staff and patients and their relatives; between hospitals and primary care services and social services."

Often the shortcomings in that respect resulted from pressure of work, but not always. "I have seen several cases recently where nursing staff knew someone was terminally ill but neither the patient nor the relatives had been told."

If the patient's husband or wife was not present when the patient died, and had not been warned of the likely death, their suffering could be increased.

Mr Clothier pointed out, however, that about 50 million contacts a year were made between the public and the health service, and only about 15,000 complaints were made. A total of 562 had come to him last year, only 0.0001 per cent of the total number of contacts; and only 106 were upheld.

Pope 'wi lift ban on priests

By Our Religious Affai Correspondent

The Pope's persona briests being allowed the Roman Catholic p is to be lifted soon, to Mr Norman St Jo Chancellor of the Duc caster, in an interview Catholic Herald, publ day.

Mr St John-Stevas, Catholic and head of a zation called Bearing offers confidential su priests in difficulties, interview after a priv ence with Pope John P.

The Pope imposed virtually a complete laicizations soon after elected, and it is belie thousands of priests all world have been affect

Many church leade privately expressed th cern at the psychologic that can do to priests w found it impossible to or in some cases wish t

The Bearings organiza been in touch with n them in this country, St John-Stevas asked t if he could discuss it w

The Pope had replied thought the rules g laicization had been t istic, whereas the diffic primarily a pastoral o rules were being drawn would be submitted appropriate Vatican Co tion. Laicizations woul once again be permitted

"I said that the b laicization had caused suffering", Mr St John said. "In response th was very forthcoming."

He left the Pope memorandum on beh Bearings which argue decisions on laicization rest with the local bish not be referred autom to Rome. He also int pursue the matter with C Hume, Archbishop of minster.

Mr St John-Stevas a Pope also discussed t sibility of a papal Britain, the raising of th of diplomatic relations b the Holy See and this and the situation in N Ireland.

Property

LONDON AND SUBURBAN

LONDON FLATS

LONDON FLATS

OVERSEAS PROPERTY

COUNTRY PROPERTIES

PROPERTY TO LET

PROPERTY WANTED

PUBLIC NOTICES

NOTICE is hereby given that Mohsen Ebrahim Abdol Aziz Ghoneim of Ettrick House, 10 Ettrick Road, Branksome Park, Poole, Dorset BH13 6LG, is applying to the Home Secretary for naturalisation, and that any person who knows any reason why naturalisation should not be granted should send a written and signed statement of the facts to the Under Secretary of State, Home Office (Nationality Division), Lunar House, Wellesley Road, Croydon CR9 2BY.

Action call by teachers in Scotland

From Our Own Correspondent
Edinburgh

Members of the Educational Institute of Scotland, the biggest teachers' union in Scotland, yesterday endorsed a campaign of unprecedented disruption in schools next term in pursuit of their pay claim.

In a ballot 21,000 teachers rejected arbitration. About 18,000 voted for arbitration, but of those, 7,000 said they were prepared to support further action if necessary. The ballot gave a clear majority for a strong line.

Mr John Pollock, general secretary, said the ballot had shown the anger of teachers at being singled out to have a rigid pay policy imposed on them. "This will be the first time in the history of the teaching profession in Scotland that teachers will have been committed to action from the very beginning of a new school session. It is very serious for Scottish education."

Selective action has been taken in schools over the last few weeks, financed by a levy on all members, which has provided an action found of £500,000. Mr Pollock said that the teachers realized that they might not win the claim for 18 per cent but they regarded the offer of 14 per cent as totally unfair.

The precise form of disruption will be announced at the beginning of the next session. Mr Pollock indicated that it would be varied to ensure maximum effect.

Perfume spray caused women's death

From Our Correspondent
Preston

A woman's hair burst into flames when she lit a cigarrette after spraying herself with perfume, Mrs Michael Dolphin, the coroner at Preston, Lancashire, stated yesterday. Mrs Sheila Richards, aged 54, wife of a financial consultant, died from burns.

Mr Dolphin, recording a verdict of accidental death, said: "I would like to see the manufacturers of these perfume sprays make investigations and possibly include a warning to show that the contents are inflammable".

Mr Christopher Foulweather, a scientist, said he examined two sprays, "Just Musk", by Lentheric and "Charlie", by Revlon and both contained inflammable contents that compared with methylated spirit. Neither showed any sort of warning.

Defence plans to restore assault by parachute

By Henry Stanhope
Defence Correspondent

Defence planners have put forward measures that would enable British forces to intervene on a limited scale in crises outside the Nato area.

Government ministers will decide within the new few weeks how far the plans can be put into practice, bearing in mind that all extra costs would have to be met from the defence budeet.

The restoration of a parachuting assault capability is among the main features of the minstry study, the existence of which was disclosed by Mr Francis Pym, Defence Secretary, on the publication of the Defence White Paper in April.

The ability quickly to drop a battalion group by parachute to seize an airfield or vital installation was lost under Army and RAF economies after the 1974-75 Defence Review.

Some steps have been taken already, with one of the three Parachute Regiment battalions o nseven days' notice to fly to any trouble-spot while another is held in reserve.

A fourth-year programme is under way to "stretch" 30 of the RAF's Hercules transport aircraft by 15 feet to increase their capacity from 92 to 128 ordinary troops and from 64 to 92 fully euipped paratroopers. The proposals would reintroduce close formation flying as a RAF requirement, necessitating an extra 1,00 0flying hours a year.

That should enable the RAF to drop a battalion group in the 15 minutes necessary for an assault operation, instead of in the 60 minutes which is the best that can be managed at present. There is also a proposal to equip the Hercules with Adverse Weather Air Delivery Systems, the radar needed to allow operations in poor visibility.

Other proposals involve protectivxe measures for air crew and stockpiles of equipment, perhaps on Salisbury Plain, so that a force could draw fuel, food, spares, ammunition and other stores quickly without robbing stockpiles designated for Nato.

There are also plans for establishing a mobile head-equipment. Sources insist however, that the total bill if the study was adopted could be counted in tens of millions of pounds, certainly well short of £100m.

The study reflects government concern over the need to help to protect Western interests outside Nato and the equal need not to impair Britain's commitment to Nato.

There are few illusions in Whitehall about the scale of operations that Britain could afford to mount, particularly as there are no plans to restore permanent bases east of Suez.

There are, however, several contingencies for which it is felt that the country should be prepared. They include the need to reinforce troops in dependant territories from time to time, as has happened during the last few years in Hongkong, Belize or, more topically, in the New Hebrides.

Woman died after doctor forgot ambulance

From Our Correspondent
Preston

The late arrival of an ambulance may have cost Mrs Emily Pilkington(aged 76, her life, Mr Michael Dolphin, the coroner at Preston, Lancashire, was told yesterday.

Mr Dolphin read out a letter written by Dr Charles McDowell Mrs Pilkington's doctors, in which he admitted forgetting to call the ambulance. A busy Monday morning surgery had led to the oversight, he had written.

Mr Dolphin recorded a verdict of death by misadventure. He said: "I hope that all general practitioners in a position where they are responsible for calling an ambulance make sure that their system is a safe one".

Mr Pilkingtpn lived at Wyresdall Drive, Leyland.

Knock airport plan

Plans will be sent to the Irish Government soon for an £8m airport at Knock, the village in co Mayo where half a million people gathered to see the Pope last September and where thousands of pilgrims are expected each year.

Boy in shooti incident name

A boy who died after ing incident on a rifle r the grounds of King School, Birmingham, o nesday evening was yesterday as Andrew aged 15, of Greenmeado Selly Oak, Birmingham.

He was found seriousl ded after a meeting of Warwicks Rifle and Pist and died in the Birmingh cident Hospital. The pol crime was not suspected.

Modified Labour public schools plan passed

By Diana Geddes
Education Correspondent

A modified version of the Labour Party proposal to charge independent school pupils the full cost of their university education has been included in the final report of the party's education subcommittee, although a large majority of the subcommittee was aagist it.

The modified version allowed through despite majority opposion because it was included only as one of several policy options on ways of ending private schooling.

Under the new proposal independent school pupils would be charged the normal home student rate of £740 for an undergraduate, instead of the £2,000 to £5,000 originally proposed, but would not be eligible for the normal student mandatory grant.

All the other proposals in the original report of the working party on private schools, chaired by Mr Neil Kinnock, opposition spokesman on education, have been approved by the education subcommittee with minor amendments. They will go before the party's home policy committee for approval on July 7, before being submitted to the full national executive committee on July 23.

The Times has a copy of the penultimate version of the subcommittee's confidential report (the final version is still being drafted), which states: "The call for the abolition of the private school system is appealing and inspirational, and the rational arguments which we deploy against privilege must lead to the conclusion that the ending of purchased education is a continuing objective of democratic socialism.

"The purpose of this section (on future policy options) is to discuss ways a Labour government with the will to do so, could implement this policy."

The possibility of introducing legislation to place a legal duty on parents to send their children to maintained schools and not to private schools is ruled out on the ground that it is "objectionable in principle and unenforceable in practice".

A far more effective way of abolishing private education would be to introduce legislation to prevent private schools charging fees, the paper says.

However, the most immediate Labour government to adopt would be to withdraw all public support from private schools and thus isolate them. But it would be unrealistic to assume that such a policy would cause all private schools to "wither away". Demand for places at public schools like Eton and Winchester did not vary significantly with price.

"Among the reasons for this are the facts that fees are increasingly paid out of accumulated capital and through tax avoidance schemes, and because top salaries tend to rise in accordance with increases in fees", the report says.

Among the proposed ways of withdrawing state support from private schools are: the immediate repeal of legislation setting up the Government's assisted places scheme and allowing local authorities to pay fees for pupils on grounds of academic ability; the ending of boarding allowances for military and diplomatic staff; the end of tax and rate relief by withdrawal of charitable status; the imposition of VAT on private school fees; the end of tax relief on payments of fees from capital through educational trusts or composition fee planning schemes, and the aggregation of children's incomes from non-parental sources with their parents' income for tax purposes: the introduction of charges for the inspections carried out by the Schools Inspectorate for registration purposes; the introduction of charges for the inspections carried out by the Schools Inspectorate for registration purposes; and the imposition of a surcharge for private school teachers trained at public expense.

New National Front gro set up by former leader

By Ian Bradley

Mr John Tyndall, former chairman of the National Front, has formed a new organization because he feels that the parent party is in ruins.

The main demand of the New National Front, which was launched at a meeting in London last Sunday, is for the resignation of Mr Martin Webster, at present national activities organizer of the National Front.

Personal differences with Mr Webster and general dissatisfaction with the leadership of the Front led Mr Tyndall to resign in January after eight years as chairman.

After his resignation he wrote to branches inviting them to tell him whether they supported his reasons for leaving. Of those that replied, he says 57 suported him and four were against.

Mr Tyndall said yesterday that he hoped there would be a reconciliation with the main party once the demands of the New National Front had been met. He said he had the support of a large number of branches which were "disgusted with the internal situation in the party".

The New National Front will initially be based in Hove, Sussex, where Mr Tyndall lives, but it may later m headquarters to London

It is the latest in a se breakaway groups fro National Front. At the last year Mr Andrew Fo and Mr Paul Kavanag former members of the torate who were expell up a "constitutional ment" that claimed t attracted more than 2,00 bers of the parent party.

Mr Richard Verrall, chairman of the National admitted yesterday tha had been a fall in the of people renewing thei bership this year. Howe said that new recruits still coming forward.

He thought there wa little support for Mr Ty splinter group. "There a pocket in north Londo said. "People tend t loyal to institutions."

The Board of Deput British Jews yesterday on the Government t marches by the National

In a memorandum William Whitelaw, the Secretary, the board sai the law on public order adequate. It urged that rity to ban marches who pose is to cause raci harmony should be ves the Home Secretary, and the police.

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HOME NEWS

Photograph by John Manning

Hospital petition: Mr David Ennals, former Labour Secretary of State for Social Services, accompanying Sister Marilyn Wilson (left) and Nurse Rosie Bell yesterday when they delivered a petition of 315,000 signatures to 10 Downing Street calling on the Prime Minister to save Westminster Hospital and Medical School. Westminster Hospital is threatened with a reduction of 420 beds in the London Health Planning Consortium report and Westminster Medical School with closure in the Flowers committee report (*Our Health Services Correspondent writes*).

Law reform urged for attempt offences

By Marcel Berlins
Legal Correspondent

The Law Commission has recommended reform of the law on attempts to commit crime which, if implemented, would fill some of the gap left if the controversial "sus" law, about being a suspected person, is abolished.

Mr William Whitelaw, Home Secretary, announced last month that he was waiting for the commission's report before deciding whether to abolish "sus", as the *all-party House* of Commons Home Affairs Committee had recommended.

Home Office ministers have *made clear that they were* worried that if the law was abolished the police would be left with insufficient powers.

The Law Commission was not specifically considering the issue of "sus", nor was its chairman, Sir Michael Kerr, willing to speculate yesterday *about the effect* of its recommendations on that law.

One main proposal, however, bears directly on conduct that is sometimes caught by the "sus" law. The difficulty has been that the law of attempt has been unclear on how far particular behaviour had to go before it became an attempt to commit a crime.

Another thorny issue concerned the legal position of someone who tried to commit a *crime which, unknown to him*, was impossible to commit: for instance, a potential pickpocket putting his hand in a pocket which was, in fact, empty.

The effect of the main House of Lords decision on the point was that such conduct would not be attempted theft.

The Law Commission proposes to do away with the concept of "impossibility" in such cases. It suggests that to be guilty of attempting to commit an offence a person must with intent, do an act towards committing the offence which goes farther than mere preparation.

The fact that the offence could not be committed, would not preclude a conviction for attempt.

Applying the same principles, the *Law Commission* recommends that conspiracy to commit a crime should be an offence although the offence is not capable of being committed; for instance, conspiring to make heroin, taking all necessary steps to make it, but using the wrong ingredients.

The Law Commission. Attempt, and impossibility in relation to attempt, conspiracy and incitement (Law Com No 102) (Stationery Office, £3.75).

Law Society private member's Bill would give legal aid for bail applications

By Frances Gibb

A private member's Bill has been drawn up by the Law Society *in an attempt to* press the Government to change the system by which many prisoners on remand cannot obtain legal aid to enable them to appeal for bail.

The Bill, which has the backing of radical lawyers' groups, comes after seven years of *criticism of the system and the* failure so far of the Government to implement the recommendations of the Royal Commission on Legal Services, which reported last autumn.

The procedure on legal aid for bail applications was criticized by a Law Society sub-committee in 1972 as *seriously* defective and involving the use of a form that was "out of date, incorrect", and "misleading". It also failed to obtain from the prisoner the information that a judge needed in deciding whether bail should be granted, the subcommittee said.

Criticisms both from the Law Society and bodies such as the Legal Action Group (Lag) and the National Association for the Care and Resettlement of *Offenders (Nacro) have been* underlined by growing figures of the number of prisoners on remand.

That now amounts to an average of about 6,000 a day, with more than 50,000 prisoners a year being remanded (14.5 per cent of the total prison population), a third of whom in 1979 eventually received a non-custodial sentence.

At present, if a criminal *defendant* is refused bail at a magistrates' court his only avenue of appeal, if he is not committed to a crown court, is to apply to a High Court judge sitting in chambers, or to apply through the Official Solicitor.

In *practice*, only prisoners who can afford to pay to be *represented go through the* judge-in-chambers system, which statistically appears to give a far greater chance of success in obtaining bail.

Although the Law Society has the power under the Legal Aid Act, 1974, to grant legal aid for such an appeal, it rarely does *so; so rarely that some lawyers* do not know that legal aid in such instances is available.

Mindful of cost considerations urged by civil servants, the society has adopted a policy of not granting legal aid for the judge-in-chambers procedure unless the Official Solicitor *system has first been* exhausted.

Under that, the Official Solicitor in theory makes the application on behalf of the prisoner, and legal aid is not needed. In practice, the prisoner is not represented; he simply fills in an appeal form.

Both the Law Society and laywers' groups, however, agree that the latter system does not work. Mr Ole Hansen, director *of Lag, says: "You have a far* better chance of success if you can afford to pay and go through a judge in chambers".

In 1978, he says, the success rate of applications made through the Official Solicitor was 10.3 per cent, and through a judge in chambers, 32 per cent. The next year the figures were 6.1 and 30.6 per cent respectively.

He admits that the figures partly reflect the kind of *applications involved.* The better applications, those with a stronger case, to some extent elect to represent themselves. But even with that screening process taken into account, the figures show "an alarming disparity".

Under the Official Solicitor system, the application is made only in writing. The accused has no chance of seeing the police objections to his application, or of commenting on *them, as does the legally represented* applicant.

What is proposed in the private member's Bill, along the lines of the royal commission's recommendations, is that applicants refused bail and detained in the custody of a magistrates' court should have the right of appeal to a crown court, in the way that defendants who are referred to that court have. That would be *legally aided.*

Mr David Edwards, chairman of the Law Society's legal aid committee, says: "We have been advocating an appeal to a crown court judge in chambers for several years and it is high time something was done".

Against arguments about cost, Mr Paul Cavadino, an official with Nacro, says: "The Law Society estimates that 2,000 defendants might wish to use this procedure, which, assuming a cost of £25 an application, would total £50,000, which is less than the per *capita cost of keeping just* 10 prisoners on remand for a year".

Despite those small sums, the campaigners are up against the difficulty that a private member's Bill involving any cost at all is not easily going to find a promoter.

The Lord Chancellor's Office said that work was in hand on the royal commission's proposals on bail and other matters.

Deceit by student

Thair Hussein Dawood, aged 20, of Wilbraham Road, Fallowfield, Manchester was fined £70 by Stockport magistrates yesterday after pleading guilty to obtaining a grade one pass *certificate* in O level English by deception by failing to attend an examination and arranging for someone else to take it in his name.

Law Report June 26 1980 — Chancery

Crown fails to extend treasure trove beyond gold and silver

Attorney General of the Duchy of Lancaster v G. E. Overton (Farms) Ltd

Before Mr Justice Dillon

The Crown has no prerogative right to treasure trove if the *objects are not of gold or silver.* The question whether a particular coin or object is of silver is for the court to decide as evidence, without any hard or fast rule in regard to silver content.

His Lordship in an action brought by the Attorney General of the Duchy of Lancaster to decide whether 7,811 third century AD Roman coins of debased silver found in 1975 in a field at Coleby, Lincolnshire, were treasure trove, concluded that none of the coins was silver, and accordingly the collection could not be regarded as treasure trove and was not the property of the Duchy.

Mr John Knox, QC and Mr Hubert Picarda for the Attorney General of the Duchy; Mr Igor Judge, QC and Mr Collingwood Thompson for the landowners.

MR JUSTICE DILLON said that *the particular land at Coleby* was within the liberties of the Duchy of Lancaster although not within the duchy itself and so the contest was between the Attorney General of the Duchy claiming in reliance on the Crown's prerogative right to treasure trove and Overton Farms Ltd, the fee simple owners and occupiers of the field in question. If the coins were not treasure trove they were the property of the owners of the soil and not of the finders.

At a coroner's inquest the coins were found to be treasure trove but that *decision was not* conclusive. Indeed the main argument of the landowners was that the coins were not capable of being treasure trove. They were antoniniani, minted between 260 to 280 AD, made of alloys of silver and base metal and properly to be described as of argentiferous bronze or copper. The percentage of silver in the greater part of the sample examined was low.

Mr Knox had formulated two questions. (1) Was the right of the Crown to treasure trove limited to gold and silver even where coins were concerned? (2) What was the criterion to be applied in deciding whether a coin was a silver coin if the Crown's right was limited to gold and silver?

Coins of 100 per cent silver were unknown because silver was a soft metal. English coins from 1066 to 1920 were 92.5 per cent sterling silver except between 1544 to 1553 when *the coinage* was debased.

Sir Edward Coke said categorically in the *Third Institute*: "Treasure trove is when any gold or silver or coin plate or bullion hath been at ancient time hidden, wheresoever it be found, whereof no person can prove any property, it doth belong to the King . . .". He added, in regard to gold and silver: "For if it be of any other metal it is no treasure and if it be no treasure it belongs not to the King . . ." and "Nothing is said to be treasure trove but gold and silver".

In *Chitty's Prerogatives of the Crown* (1820) it was stated that "Treasure trove is where any gold or silver in coin or plate or bullion is found concealed in a house or *in the earth or other* private place, the owner thereof being unknown, in which case the treasure belongs to the King or his grantee having the franchise of treasure trove".

The substance of those definitions and the limitation of treasure trove to articles of gold and silver was repeated in leading modern text books. Similarly Mr Justice Chitty in *Elwes v Brigg Gas Company* ((1886) 33 ChD 562, 567), in an obiter statement which, in his opinion, reflected the accepted view, referred to a jar which had been found containing Roman coins and added "not gold or silver coins and therefore not falling within the royal prerogative of treasure trove".

The Crown's prerogative right to treasure trove had been established in English law many centuries before Sir Edward Coke's time. It had no counterpart in Roman law and seemed to have come into English law from some Scandinavian or Germanic source.

The so-called Leges Edwardii Confesseris issued between 1130 and 1135, was not regarded as of high authority, but the assertion that "Treasures from the earth belong to the King unless they be found in a church or in a cemetery, and even if they be found there, the gold belongs to the King and half the silver and the other half to the Church", even if inaccurate as a statement of the King's rights, was a slight indication that only articles of gold and silver were then regarded as treasure trove.

Until recently the Crown had accepted that only articles of gold and silver could be treasure trove. In Home Office statements in 1930 and 1955 it was categorically stated that coins and other objects of copper, bronze or any other base metal were not treasure trove. However the Attorney General for the Duchy now contended that the true view was wider and that hoards of coins of any metal might be treasure trove.

The argument was supported by reference to jurists of the highest *eminence*, and it was said that if the Crown prerogative was initially not limited to articles of gold and silver the wider prerogative could not have been lost by disuse over recent centuries.

Bracton, in about 1250, referred to treasure trove as being "treasure, to wit silver or gold or other kind of metal" found in any place whatever and to treasure as being "a certain old deposit of money or of other metal of which there is no memory, so that it has no owner".

Five centuries later Sir William Blackstone in his *Commentaries* referred to treasure trove as being "any money or coin gold silver plate or bullion is found hidden in the earth or other private place, *the owner thereof* being unknown, in which case the treasure belongs to the King". It was that definition, which did not limit the money or coin to gold or silver coin, which Mr Knox asked the court to accept.

However, what Blackstone said seemed to be no more than a synthesis of Bracton and Coke, without independent support. Was there any reason to prefer Blackstone to Coke? There seemed to be some reason against so doing, because it would not have been natural, even in Blackstone's time when copper *coinage had been* in circulation for nearly 100 years, to regard a hoard of bronze or copper, as opposed to gold or silver, as treasure. Moreover, Blackstone appeared to refer the king's right to treasure trove to the same origin as the king's right to mines, which was limited to mines of gold and silver.

So far as Bracton was concerned, his reference to other kinds of metal was plainly deliberate since he had taken, and extended by that reference, the definition of treasure by the Roman jurist Paulus, which had, in fact, nothing to do with any Crown prerogative. It might be that Bracton considered it logical that the prerogative of treasure trove should extend to coins and *other articles* of value not made of gold or silver but he could not see any evidence beyond passages in Bracton, and also in Glanvill 60 years earlier, that the prerogative ever did so extend.

If his Lordship were satisfied that the prerogative had originally extended to coins not gold or silver, he would attach great weight to Mr Knox[...] that the Crown prer[...] not be lost by mere [...] that argument had n[...] the absence of pro[...] prerogative did exten[...] non-precious metal.

In the *Case of Min[...] of Northumberland* ([...] 477) the court deci[...] tent of the Crown's p[...] mine gold and silver [...] of consuetudo—what [...] had always had. By [...] approach his Lordshi[...] that Coke and Chitty [...] and that it was not [...] the Crown had ever h[...] ure trove coins tha[...] gold or silver.

Mr Knox had point[...] whereas in early ti[...] taken by the Crown [...] trove went into the [...] chequer to help defr[...] of government, the C[...] to treasure trove ov[...] 100 years had been [...] means of preserving [...] for the benefit of the [...] the Crown could not [...] extend its prerogati[...] that was a matter for [...]

The fact that the obj[...] by the law of treasure [...] now different could n[...] the Crown, without pa[...] sanction, either in ex[...] prerogative to articles [...] or silver, or in accept[...] or more relaxed de[...] what were articles of [...] position in which the p[...] for the nation of re[...] covered antiquities dep[...] prerogative for quite [...] purposes was not satisf[...] topic could well merit [...] tion of Parliament so a[...] criteria in keeping wi[...] thinking and the ways [...] life.

His Lordship then [...] whether the coins fell [...] description of gold [...] articles.

In a brief review of t[...] of the Roman Emp[...] Augustus, when th[...] denarius was 93 per c[...] to the end of the thir[...] his Lordship commente[...] *case concerned* antonin[...] duced in 215 AD the [...] tent of which had decl[...] coins were reissued in 2[...] per cent silver but [...] again. Of the coins foun[...] by 923 had been cle[...] examined in the British [...] A few had been analyse[...] shown a silver conten[...] from 5.85 to 0.2 per [...]

Mr Knox had argued [...] antoninianus when fir[...] duced had had the sam[...] cent silver content as [...] arius, and it was intend[...] *a double denarius.* Mr [...] submitted that the same [...] was to be applied when t[...] inianus was reintroduced [...] placed the denarius a[...] therefore, however deb[...] antoninianus was it rem[...] silver coin.

But his Lordship pref[...] Judge's submission that w[...] particular coin or object [...] silver was for the judge [...] on evidence without any [...] fast rule as to silver co[...] would have been perverse [...] jury to hold that the [...] question were silver co[...] they could not be tre[...] treasure trove.

There was slight eviden[...] the coins had been hidde[...] *in the absence of any mor[...]* factory explanation, that [...] be sufficient to establish [...] of treasure trove if, cont[...] his view, the coins were [...] *coins, or if coins not bein[...]* coins were capable of [...] treasure trove.

Solicitors: Frere, Choln[...] Co; Bolton & Lowe for [...] Co, Lincoln.

Nine-strong board named for fourth TV channel

By Kenneth Gosling

The Independent Broadcasting Authority yesterday announced the names of the nine members who will form the board of the fourth television channel, to begin transmission in the autumn of 1982.

The nine will act as consultants until the broadcasting Bill, now passing through the Commons, becomes law. They include four independent television company representatives, one independent producer and the BBC's national governor for Wales. Each will be paid £2,000 a year.

The nine are: Mr William Brown, managing *director of Scot*tish Television; Mr Roger Graef, independent producer and director; Dr Glyn Tegai Hughes, warden of Gregynog, University of Wales, national governor for Wales of the BBC and chairman of the Broadcasting Council for Wales, 1971-79; Mr David McCall, chief executive, Anglia Television; Mrs Sara Morrison, General Electric Company, chairman of the National Council for Voluntary Organizations, member of the Annan committee; Mr Anthony Smith, director of the British Film Institute; Mrs Anne Sofer, member of the Inner London Education Authority; Mr Brian Tesler, managing director of London Weekend Television; and Mrs Joy Whitby, head of children's programmes, Yorkshire Television.

It is proposed that the appointment of the members *who work for independent tele*vision companies should be reviewed next year, when the new franchises are awarded. The remaining appointments will be reviewed between 1983 and 1985.

Mr Edmund Dell and Sir Richard Attenborough were announced last month as, respectively, chairman and deputy chairman of the board.

MP urges tenants to resist threat by council

Mid-Suffolk District Council has sent warnings to 880 tenants in parishes between Ipswich and Norfolk threatening court proceedings for eviction if the tenants do not sign an agreement to give up part of their gardens by July 21.

Mr Eldon Griffiths, Conservative MP for Bury St Edmunds, has advised them to fight the council if they want to keep all their gardens.

"The council has no right to threaten you in this way. You are fully entitled to resist their *attempt to take your garden* from you," he said. If necessary, he would seek a High Court injunction to prevent the council from interfering with tenancy agreements.

Mr Griffiths said that when Parliament passed the Housing Bill tenants would get important new rights which would prevent councils behaving in such a way.

"It is true that they want *the land for future houses and* garages, but there is no guarantee whatsoever that they can or ever will build them. They certainly ought not to be going about it in this high-handed way," he said.

Mr Arthur Dunn, the council's secretary, said yesterday: "*It is true that we are getting* in ahead of the Government's new Housing Bill". Tenants could continue to use the land until it was required for building.

Jewish camp survivors to meet again

By Clifford Longley
Religious Affairs Correspondent

Jewish survivors of the Nazi concentration camps living in Britain are being invited to take part in the first, and probably the last, reunion of survivors from all over the world in Jerusalem next year.

The Board of Deputies of British Jews has agreed to handle the British arrangements, which are part of an international operation based in New York. Professor Elie Wiesel, the author, and Mme Simone Weil, president of the European Parliament, will be chairmen of the gathering. Both are camp survivors.

Those attending will be asked to bring a tape recording describing their and their families personal experiences of the period, and a monument is to *be constructed of engraved* stones bearing the names of the survivors and their relatives. The trapes will be deposited in the Holocaust Museum, Yad Vashem.

Mr Ernest Michel, chairman of the committee organizing the gathering, said in London yesterday that the idea came from the time he was in a concentration camp. Inmates talked about the possibility of meeting outside one day if they survived.

Instruments will be operated from 700 million miles

Switch-on for Saturn scanners

By Pearce Wright
Science Editor

Preparations have begun for switching on the electronic scanners of the first two spacecraft intended to make a close reconnaissance of the planet Saturn.

The remote *control of those* vehicles more than 700 million miles from Earth is part of one of two ambitious explorations in deep space.

The other is to launch a satellite to intercept Halley's Comet when it reappears in 1985-1986; it will be another *75 years before it becomes vis*ible again from Earth.

The Journey of the Voyager spacecraft to Saturn was described in London by Dr Raymond Heacock, the project manager at the Jet Propulsion Laboratory of the California Institute of Technology. Highly sensitive instruments will be used for manoeuvres which would be considered delicate if made under laboratory conditions.

The centre *monitors* and guides unmanned spacecraft; the better known control centre at Houston monitors the travels of manned vehicles.

The difficulties confronting the designers and commanders of planetary explorations are in many ways infinitely more complicated.

Dr Heacock said in the James Watt Gold Medal Lecture to the Institution of Mechanical Engineers that it took about 85 minutes for a signal *from Earth to switch on a cam*era or a measuring instrument on a Voyager and to send instructions to adjust the position of the craft or make modifications to the miniature computer control system on board.

It took that time for the information from space to come to Earth in a steady stream of pulses that were decoded and converted into messages, pictures, measurements of temperatures or chemical analysis.

The Voyagers would make their closest approach to Saturn on November 12 next and August 26 next year. But the preliminary operations were to begin in three weeks, as various instruments of the spacechraft were brought into operation.

Astronomers and astrophysicists were still digesting the discoveries from that part of the expedition that found a spiral of sulphur and oxygen when crossing the orbit of Io, one of the planet's satellites, and at least nine active volcanoes there, a thin ring of material round Jupiter, and two new moons, one buried on the edge of the ring and the other between Amalthea and Io.

Dr Heacock said that those *findings had stimulated* great expectation about the exploration of Saturn, because with Jupiter it formed probably the most significant planetary belts within the solar system, with the exception of the repository of life on Earth.

An attempt to understand the *formation and evolution* of the solar system would need a study of those two large bodies. The Voyager project was to make a comparative scientific exploration of the two planets and as many of their main satellites as possible.

The possibility of making a survey with two spacecraft on the same mission, and continuing thereafter to Uranus and Neptune, depended on an event that occurred about every 175 years.

That was when the outer planets were in an alignment that allowed a single craft to fly a trajectory that made a close encounter with each of them possible.

Award of £35,000 damages over terrorist car deaths

An award of £35,000 damages was made yesterday by the Belfast *Criminal Injuries Court* to Mr Jackie Maguire for physical and psychological damage his wife, Ann, suffered after the death of her three children.

The children died in August, 1976, when a terrorist escape car went out of control after the driver was shot by soldiers, the court was told.

The car ploughed into Mrs Maguire and her children on a pavement in the Andersonstown district of Belfast. Mrs Maguire recovered from her injuries.

The incident prompted the children's aunt, Miss Mairead Corrigan, *and Mrs Betty Wil*liams to form the Peace Movement, which was later to win a Nobel Prize.

Mr and Mrs Maguire *later* emigrated to New Zealand, but returned to Ulster after another child was born.

Last January Mrs Maguire committed suicide at about the time the damages case was to be heard. The court yesterday ruled that she had suffered physical and psychological damage and made the award for her suffering.

Mr Thomas Cahill, for Mr Maguire, said: "The case was listed for hearing at a previous court but unfortunately Mrs Maguire died the day before *the action. That was on Jan*uary 21 this year."

Stirling Moss fined

Stirling Moss, the former racing driver, was fined £22 by magistrates at Buckingham today for exceeding a 40 mph speed limit.

Meningitis at school

Hampden House boarding school in Sudbury, Suffolk, has been closed after two boys aged 10 and 11 developed a non-dangerous form of meningitis.

Army to launch inquiry into 'bullied' soldier

The Army is to hold a new investigation into the death of Private James Darkin, a young soldier driven to suicide by what a coroner described as *relentless bullying.*

The Ministry of Defence said yesterday that the inquiry would be carried out by the special *investigation branch of the Mili*tary Police.

"Previous investigations by the SIB were made jointly with the civil police, to whom all information was made available", the ministry said.

Private Darkin, aged 18, whom the coroner described as "a complete misfit" in the Army, was a member of the Royal Pioneer Corps. He died in February of bronchial pneu*monia after an overdose of pain*killers.

More home news, page 10

Court of Appeal

Proper damages for loss of heari[ng]

Smith v British Rail Engineering Ltd

Before Lord Justice Lawton, Lord Justice Bridge and Lord Justice Shaw

[Judgments delivered June 24]

The Court of Appeal, considering for the first time the proper measure of damages for loss of hearing, held that an award of £3,250 for a retired railway workshop employee, whose hearing was substantially impaired during 20 years of employment, was palpably low and substituted a figure of £4,500.

Their Lordships allowed an appeal by the plaintiff, Mr Arthur Ernest George Smith, aged 67, of Eastleigh, against the judgment of Mr Justice Balcombe in March, 1979, awarding him £3,250 in an action of negligence against the defendants, British Rail Engineering Ltd.

Mr Michael Hutchison, QC, and Mr Anthony Temple for Mr Smith; Mr L. D. Lawton, QC, and Mr Keith Topley for the *defendants*:

LORD JUSTICE LAWTON said that Mr Smith submitted that £3,250 was not enough to compensate him for the deafness he suffered from working over a long period in conditions of excessive noise. The defendants admitted liability and took no point under the Limitation Act.

During the past two decades the medical profession and other bodies concerned with industry had become much more aware of the danger to the hearing of people working in noisy conditions. Hitherto, cases concerning loss of hearing had come to the courts in a trickle but there were indications that they would soon become a flood.

The defendants, a subsidiary of British Rail, had at present no fewer than 2,000 writs outstanding for negligence causing damage to hearing. No doubt there were similar claims in other industries. Though their Lordships reminded themselves that they were dealing with the present case on its own facts, they were conscious that to some extent their decision would provide some general guidance to judges who had to deal with similar cases.

In the recent past there had been wide divergences between awards by different judges. Some of the awards were explained by the differences in evidence and the circumstances, but the divergences were so wide that the awards could all not be right.

Except for a short break in 1935, Mr Smith was employed for all his working *life* by the defendants as a plater and riveter in their workshops, principally at Eastleigh. He retired in 1978. His evidence at the trial was that *his hearing began* to be affected over 20 years ago. The damage was slight at first, but it got progressively worse, and there had been a marked deterioration recently. It was not until March, 1977, that he consulted a doctor, but the judge was told by a consultant that it was not uncommon for advice to be sought late in such cases.

Tests carried out showed clearly a considerable loss of hearing. Without a hearing aid Mr Smith was unable to listen to the radio. With it his hearing was improved, but he still had difficulty when two or more persons were talking together. The evidence established that as he got older the problem would get worse, although that would in part be due to the ordinary processes of getting old. His expectation of life was about 12 years.

In all those circumstances, what was the proper measure of damages for the interference with the quality of his life?

The governing principles were in *H. West & Son Ltd v Shephard* ([1964] AC 326, 346) where Lord Morris of Borth-y-Gest said: "All that judges and courts can do is to award sums which must be regarded as giving reasonable compensation. *In the process* there must be the endeavour to secure some uniformity in the general method of approach. . . . When all this is said it still [...] be that amounts which are awarded are to a considerable extent conventional."

Those words were fairly easily applied in many cases of personal injuries. But in connexion with deafness on which, until recently, there were few cases, there were no awards which could be deemed to be conventional. Perhaps the present case would be a step in setting a standard.

It was the responsibility of Mr Justice Balcombe to assess the degree of interference with Mr Smith's quality of life. The principles on which his decision could be interfered with were laid down by Lord Wright in *Davies v Powell Duffryn Associated Collieries Ltd* ([1942] AC 601, 617). He said that "before an appellate c[...] terferes with an award of d[...] [it] should be satisfied t[...] judge has acted on a wro[...] ciple of law, or has m[...] hended the facts, or has f[...] or other reasons made a[...] erroneous estimate of the [...] suffered."

The proper approach [...] was to ask whether the a[...] wholly wrong. His Lords[...] in mind (1) Mr Smith's [...] and (2) the views in the [...] past of judges of experie[...] had to deal with the prob[...]

On the first point, the [...] cant matters were that M[...] had suffered an interfere[...] the quality of his life [...] years, had worn a hearing [...] two years, and would co[...] do so till the end of his [...]

As to the second, his [...] said that on the basis of [...] *sions of Mr Justice Ash[...] Berry v Stone Manganese* Ltd ((1972) 12 KIR 13) [...] Justice Caulfield in *Baile[...] perial Chemical Industri[...]* (unreported, May 14, 19[...] award in the present cas[...] taking into account Mr [...] age, should be of the [...] £6,000 to £7,000.

His Lordship therefo[...] cluded that the judge's a[...] palpably low. The prop[...] was £4,500, and it should [...] stituted for the judge's f[...]

LORD JUSTICE BRID[...] *that obviously the degree [...]* pairment of hearing varie[...] Each case had to be judg[...] own facts, and an awa[...] only be interfered with [...] wholly erroneous.

It was all too clear th[...] dealing with damages [...] difficult field were suffer[...] a lack of a convention[...] There were glaringly c[...] awards which were inca[...] being explained as distin[...] by their facts. Differen[...] were applying different s[...] adopting different cri[...] seemed desirable that [...] should be expressed thr[...] medium of adjustment [...] award, where it was wh[...] neous, of what was th[...] priate award.

The present award wa[...] portably small and his [...] agreed that £4,500 was [...] priate.

Lord Justice Shaw agr[...] both judgments.

The appeal was allow[...] costs.

Solicitors: Collyer-Bri[...] Lamport, Bassitt & [...] Southampton; Mr Evan [...]

Correction

In *Hyman and Williams v Schering Chemical Ltd and Another* (June 10) the Master of the Rolls said: "In considering the teratogenic capability of this drug" [Primodos] "it will be necessary for the court to consider the whole conspectus of effects it might have in causing the congenital malformations in the other cases". As reported in our law report that passage read that ". . . at the trial of the first two heart cases the evidence and findings of the judge would give a good guide to the outcome of the remaining actions as to the teratogenic capability of the drug. It would *not* be necessary for the court to consider the whole conspectus of effects and all congenital malformations in the other cases." We regret the error.

M Giscard tries to rise above politics and speak for France

From Jan Murray
Paris, June 26

President Giscard d'Estaing ·day moved serenely through ·e ninth press conference he ıs held since he came to office x years ago, showing his miliar, confident—some would · arrogant—mastery of briefs varied as Afghanistan and price of books.

ver the previous 24 hours press and television had · preparing the public for te occasion. The President :areful to ensure that it did ecome a political event.

y twice during the hour 40 minutes that it lasted : political questions speci-lly raised. Once he was -d if he had called for a se in the enlargement of European Community, elec-l reasons, to which the ver was a short "No".

d at the end he was asked .e devious ways permitted : protocol of the occasion er he would be a candi-ı next year's presidential ns. He referred question-his answers of two years · the same query: he not announce his candi-since that would hinder ı carrying out his duties sident.

. allowed him simply to · the questions in the ıe would like to be re-—a statesman rising the political hubbub who peak for France.

devoted most of the al-ime to answering inter-l questions. Afghanistan ised at the beginning with it the President's criticized visit to War-He said again that his with President Brezhnev had been "useful", that ad led to the first with-of Soviet troops, which "gesture in the right n"; and that France termined to seek a l" and not a "transi-solution, which was pro-by President Carter in de.

appeared generally so d with his trip to · that he announced he be making a further visit there in Sept-

Middle East was the bject. Again he re-· that the solution ı the recognition of the of Israel to secure and the rights of the an people to exist. g the solution, how-s "a race towards the Since the Middle East . would soon be equip-much more advanced gerous weapons which : used to add to the tragic dimensions of the problem. As far as France was concerned, he said, it was "absurd" to say its policy was guided by oil considerations.

Then come European matters, especially his suggested "pause" before the widening of the EEC with the entry of Spain and Portugal. This was, he said, nothing more than a statement of fact.

With an eye clearly cocked in Britain's direction, he said that since various partners wanted to see a change in the rules, there was no way that negotiations could proceed with Spain and Portugal on those points until the uncertainty had been cleared up. If the rules were not going to be changed then there was nothing standing in the way of keeping to the original timetable.

As far as the recent troubles on the border between France and Spain were concerned, he said that the attacks by French farmers on Spanish lorries were indefensible, the more so as this gave France a bad image and made it difficult to defend its rights.

Asked specifically about how he had not got on with President Carter during their private meeting in Venice last weekend, he said that the meeting had been "frank and comprehensive" and that he had told the American President that France "is and remains independent". The French analysis of the Afghan problem, he remarked, had been given a "positive" reception, as the final communiqué showed.

Defence problems were met by the President with Gaullist-style answers. Any attack on French soil would be answered. France, he revealed, had successfully carried out trials on a neutron bomb, which could be ready for use by 1985. By the end of this year the decision to go ahead with building a mobile nuclear missile launcher would be taken.

Asked if France was considering abolishing national service the President seemed almost shocked. In the state the world is in today, he said, such a thought would be considered as a desertion an da resignation by France. "I will not allow the French Army to be demolished", he said.

The President then slipped easily through a number of questions set to trap him on the internal state of France. On the economic front, he blamed the bad balance of payments on the price of oil.

In speaking about social problems, he emphasized what was being done to shorten the working week and to improve the career prospects of young workers.

EEC hopes vote will end budget dispute

From Robert Morgan
Parliamentary Staff
Luxembourg, June 26

The European Parliament embarked today on what most MEPs hope will be the last stage in settling this year's EEC budget. Certainly the Council of Ministers and the Commission hope it is. The final vote will be taken tomorrow.

The conflict over the budget started last autumn when the Council of Ministers drastically reduced the original budget put forward by the Commission.

Last December, Parliament, maintaining that it had a mandate from the people of the Community after direct elections, threw the budget out. Its reason was the budget's lack of balance—too much money to support inefficient farmers and too little to help poorer regions.

After much tough talking behind closed doors, the Council has now offered more for the poorer regions.

The budget, proposed by the ministers, is now 17,310m units of account (about £12,000m). More than 70 per cent is earmarked for supporting farmers under the common agricultural policy, but this could rise to nearer 80 per cent if harvests are bad.

Finance ministers, meeting here last week, agreed to offer Parliament a further £146m for so-called non-compulsory expenditure; that is on regional and social policies and other matters not connected with agricultural policy.

Parliamentary report, page 14

Resumed superpower dialogue is the main object of Herr Schmidt's journey to Moscow

Bonn fear of confrontation

From Patricia Clough
Bonn, June 26

His differencies with the Americans apparently settled, at least for the time being, Herr Helmut Schmidt, the West German Chancellor, embarks on Monday on one of the most difficult tasks of his career; his visit to Moscow. He will be thi first Western statesman to enter the Kremlin since the Soviet invasion of Afghanistan.

The visit, unlike President Giscard d'Estaing's spectacular but apparently unproductive meeting with President Brezhnev in Warsaw, has been lengthily and carefully prepared by both sides. Whatever the outcome, whether positive or negative, it will be of importance in the present world crisis.

The Chancellor is going to Moscow in a spirit which has increasingly marked the West German position since Afghanistan. It is that of a firmly committed member of Nato whose angle of vision is, for geographical and political reasons, inevitably somewhat different from that of its allies across the Atlantic or the North Sea.

The thought of Soviet missiles bombers piling up on the other side of the border, ready to turn West Germany into a radioactive desert, and the fate of two million potential hostages in West Berlin makes the German perception different. Yet suggestions in allied capitals that the Chancellor may betray, however slightly, the Nato causes arouses fierce indignation among his staff. "Those who say that simply don't know Helmut Schmidt" is the retort.

Nevertheless, mounting suspicion and unease in the United States about Herr Schmidt's intentions burst out into the open last week with a brusquely worded letter from President Carter warning the Chancellor not to depart from the Nato position on medium range nuclear missiles.

Furious, the Chancellor reacted with a newspaper interview calling the letter "astonishing". He defended his proposal for a three-year freeze on deployment of medium range missiles—the source of the dispute—as being "in the mainstream of Western thinking".

Herr Schmidt appears to have cleared up the misunderstandings with President Carter and his other allies at the Venice summit and to have received full backing for his trip. "We think his attitude will spring from the middle of the Western alliance on all issues", an American diplomat here said.

The Chancellor's main purpose is to try to get a dialogue between the two super powers going again. He is afraid that otherwise they could slide unwittingly into a confrontation from which they could not draw back. He believes that Germans, who have suffered terribly in two world wars and fear, more than anyone else, a third, have a speical responsibility to work for peace.

Herr Schmidt can be expected to express forcefully the Western view that the Soviet invasion of Afghanistan is unacceptable. "We will not be easy people to talk to," his chief spokesman, Herr Klaus Bölling said. At the same time he will sound out any possibilities for a solution to the Afghanistan problem.

The Chancellor may be helped in his talks by his conviction that a solution cannot be found by "punishing" the Soviet Union. He believes the kind of "punishment" imagined by the United States would only make the Soviet Union eevn more intractable.

He will also point out that the imbalance of nuclear forces in Europe cannot be tolerated and will attempt to coax the Russians to the negotiating table over reducing the numbers of medium-range nuclear missiles.

There has ben no indication whatever from Moscow that the Chancellor will actually achieve anything. His staff say he has no illusions and since expectations are nil any positive result will be seen to be a great feather in his cap.

Herr Schmidt's trip has to do with the West German elections this autumn.

With the fear of war the Germans' biggest concern at presnt, the Cchancellor's efforts to preserve détente and stability in Europe while firmly supporting the alliance have already proved a winning card. To be seen pursuing these goals personally in Moscow can only enhance his image as the right man for troubled times.

Turkish application to join EEC postponed

From Michael Hornsby
Ankara, June 26

Turkey has been forced to delay its application to join the EEC because of an internal political crisis, but the Turkish Government still intends to apply before the end of the year for full membership of the Community.

This emerged here today at a press conference given by Mr Hayrettin Erkmen, the Turkish Foreign Minister, at the conclusion of a two-day meeting of Nato foreign ministers, at which he was the host.

Mr Erkmen replied with a crisp "no" when asked if he would be making a formal application to join the EEC when he meets Community foreign ministers in Brussels next Monday to review progress in implementing Turkey's treaty of association with the Nine.

Mr Erkmen recalled that the Government had decided some months ago to apply before the end of the year for membership and said that it would "stand by that decision".

There had been speculation here that Mr Suleyman Demirel's right-of-centre Government would use next Monday's meeting as the occasion to apply formally for membership, a prospect which has sent tremors of alarm through EEC capitals.

But Mr Demirel's Government faces a parliamentary vote next Wednesday on a motion of censure tabled by the main opposition group, Mr Bulent Ecevit's Republican People's Party, and needs the support of anti-EEC groups in the Parliament to survive.

Mr Ecevit and his party are not opposed in principle to EEC membership, but they do not think that Turkey is ready yet to join.

The Turks consider they have been badly treated by the EEC and that the privileged access they are supposed to enjoy to Community markets under the association agreement has been nullified by concessions which the Nine have granted to other developing countries.

It is thought that one of the motives behind Turkey's professed intention of applying for full membership may be to force the EEC to come up with a better financial and commercial offer as the price for postponing such an application.

Another worry in Ankara is that once Greece becomes a full member—on January 1 of next year—is could be in a position to veto any future Turkish application.

The Nine regard as little short of nightmarish the prospect of becoming embroiled in entry negotiations with Turkey at a time when the accession of Britain, Denmark and Ireland is still being digested, and further enlargement, to include Greece, Spain and Portugal, is under way.

A background agarian country of 45 million people, of whom only 10 million live on the European side of the Bosporous, Turkey is in a state of almost permanent economic crisis. Inflation last year ranged between 80 and 100 per cent, the jobless accounted for 20 per cent of the labour force and foreign debts rose to nearly £8,000m. Gross national product per *capita* is only a third of Spain's.

Nazi accused of wartime camp murders

..ne, June 26.—Police ..rrested a former Nazi ..rged him with the mur-.. at least 24 Jews in a ..ration camp near Riga,

..unnamed man, aged 64, ..ested while on holiday ..altic coast after several .. at a trial in Hamburg ..m as a former sergeant ..S.

..s accused of having .. old and sick camp .. to be put to death with ..ns of poison, between ..ng of 1943 and October ..the state prosecutor's ..aid.—Reuter.

New talks begin on nuclear test ban treaty

Geneva, June 26.—American, Soviet and British negotiators today opened their tenth round of talks on a comprehensive nuclear test ban treaty.

The negotiators, now nearing the end of their third year of discussions, held a full delegation meeting, the first since April, at the Soviet mission here.

The talk take place outside the framework of the United Nations Geneva Disarmament Conference. But the final draft, extending an existing treaty to tests underground, is due to go before the United Nations forum for final approval.—Reuter.

..of of another Berlin hall ..anger of collapsing

..retel Spitzer
..une 26

..Deutschlandhalle, a ..hall for sporting events, ..certs and other enter-..ts in West Berlin, has .. be closed down by ..order. The roof support ..f the large building, .. erected in 1935 and .. 1957, were not con-..afe by experts.

..ht's announcement of .. closure, comes hard ..els of the collapse of ..he roof of Congress ..ularly known as the .. Oyster", in the ..

..h there is no immed-..r of the Deutschland-..bling down, normal ..precautions require ..examination and pos ..tural improvements. .. causing indignation ..the engineers' report that draws attention to the state of the roof was submitted to AMK, the municipal company in charge of the Deutschlandhalle, the Congress Hall, the International Congress Centre and the Exhibition Grounds, on April 14. But only on May 22, the day after the Congress Hall disaster, was the supervisory building agency of the district informed about it. The temporary closing order was issued last Tuesday.

The Deutschlandhalle has been under routine repair since June 9. Yet last month a huge Catholic rally was allowed to take place in the hall.

As in similar cases, the search for a scapgoat is on. However, AMK is not prepared to take the blame for the state of Deutschlandhalle and announced that is will challenge the decision of the city authorities and take the matter to court.

..ervationist ..ge being .., Duke says

..r Correspondent
..June 26

..ke of Edinburgh said .. while the message ..eed for conservation .. be getting through, .. was whether it was .. be acted upon.

..as inaugurating the .. headquarters at Gland, .. Geneva, of the World .. Fund and its com-..organization, the Inter-..Union for the Conser-.. Nature. The fund an-.. the Duke would .. its president next year. ..ibing the new head-..s as a ..w world centre ..onservation, the Duke .. the situat.. was too .. to allow .. luxury of ..ent conserv.. bodies ..with each .. er. Any ..ation measures .. con-..World nearer to irr..ble ..ter.

Man questioned in Seberg death inquiry

Paris, June 26.—French police last night questioned the last companion of Jean Seberg, the American actress who died in September of a barbiturates overdose.

Police said Mr Ahmed Hasni, aged 23, was detained and was being questioned as part of fresh inquiries into Miss Seberg's death.

Her body was found in a car more than a week after her lover had reported her missing.

At the time police said there was no sign of a crime. A coronor said she had committed suicide by taking an overdose of sleeping pills. The actress, who was 41, also had a high level of alcohol in her blood.

In September the Federal Bureau of Investigation disclosed that it once tried to smear Miss Seberg because of her support for black power movements.

OVERSEAS

Mr Reagan preempts President Carter's tax cutting strategy

From Frank Vogl
Washington, June 26

Mr Ronald Reagan, the Republican Party's presidential candidate, has taken full advantage of President Carter's European travels by securing newspaper headlines across the nation today with the announcement of a plan for tax cuts of $22,300m (£9,700m).

The plan is almost identical to the one that President Carter's assistants have been quietly developing for some weeks and which the President intended to announce in mid-July.

President Carter returned to Washington from Spain tonight confronted by a dilemma. He can hardly endorse the plan proposed by Mr Reagan, yet to oppose tax cuts staunchly will leave him open not only to Republican attacks, but also to growing criticism from liberal Democrats, headed by Senator Edward Kennedy.

Mr Robert Strauss, who is the President's campaign manager, suggested today that the President will indeed have a tax cutting plan of his own.

Republicans in Congress, encouraged by Mr Reagan, are striving to ram home their advantage to the acute embarrassment of the Democrats. Republican senators have declared that they will try to tie Mr Reagan's tax cutting proposals to every new piece of legislation, thus forcing the Democrats to make a quick decision on whether or not to support fiscal stimulus for the ailing economy.

Mr Reagan, however, has done far more with his announcement than just win today's headlines and preempt President Carter's tax cutting strategy. He has also demonstrated that he already enjoys Republicans in Congress.

Fully 37 out of 41 Republican senators, ranging from staunch fiscal conservatives to such liberals as Senator Jacob Javits of New York and Senator Charles Percy of Illinois, declared their support today for Mr Reagan's tax cuts.

The Republican candidate has also weakened the arguments of those critics who have asserted that his economic views are too conservative and doctrinaire. Mr Reagan has been campaigning for a 30 per cent tax cut over three years that has been widely viewed as a thoroughly impractical suggestion. Now he has modified his stand with a proposal that looks far more pragmatic.

Democrats in the Senate met today to try to decide how best to rebuff the Republican initiative. The verdict was that they would not support the Republican proposals, but would move ahead with a view to possibly approving fiscal stimulus for the economy in September.

Mr Reagan's plan calls for the tax cuts to become effective next January 1 and for the cuts to comprise $19,600m of personal tax reductions and $2,500m of business tax cuts. The White House plan for cuts that would also take effect at the start of the New Year would involve some $25,000m.

The timing of the Republican candidate's announcement coincides with opinion polls showing that only 18 per cent of Americans approve of Mr Carter's handling of the economy, which is the lowest rating since a 15 per cent level was seen in a poll 11 months ago.

Mr Reagan asserts that he is not abandoning his prudent fiscal stance, but that in the course of the campaign he will announce plans to reduce government spending sharply in coming years. He insists that the tax burden on Americans is now far too high and that his new proposal just offsets some of next year's tax increases.

Congress has already approved a 1981 social security tax rise of $18,000m and inflation will push individuals into higher tax brackets and so generate at least an additional $15,000m in revenues.

Mr Reagan is now blaming President Carter for big budget deficits, record high inflation and for policies that are seeing "product lines idled, factory gates closing across the land and housing construction going into a tailspin".

These are tough arguments for the President to counter and he is at a clear disadvantage now that his tax plans have been adopted by his rival.

Makin gmatters even worse is the prospect that the trough o fthe recession, when unemployment will be at its peak, could come only weeks before November's election date.

President's popularity seriously eroded by his failure to solve international crises

Foreign policy weakness swings voters to Republicans

By Patrick Brogan

Foreign affairs are going to play a larger part than usual in this year's presidential election. There are those who insist that inflation, unemployment and interest rates are all that matters; that the difficulties of America's relations with the Middle East, the Soviet Union, Europe and Central America are altogether marginal and of no concern to voters in Indiana or Nebraska.

Many of them, including Mr Ronald Reagan, believe that President Carter is a weak President and should be replaced because of his failures in foreign affairs. Indeed, a number of once-prominent democrats have come out in support of Mr Reagan, despite their doubts about his domestic politics, just because they consider that the republic is in danger with Jimmy Carter at the helm.

The eastern establishment, certainly, is much exercised by questions of the Strategic Arms Limitation Treaty (Salt) the Middle East, the supposed lack of solidarity shown by European allies or the disrespect shown by Nicaraguans, Iranians and Pakistanis.

There is precious little evidence that large numbers of people in the heartlands will decide how to vote on the matter of the size of the defence budget or even on the grain embargo, but there is plenty of evidence that the President's failures in foreign affairs have spread the view that he is incompetent.

When the Camp David peace agreement was signed, in September, 1978, the President's popularity rose dramatically. It declined thereafter, but revived again when he succeeded in persuading the Egyptian and Israeli Governments to convert their preliminary agreements into a detailed peace treaty.

The Venice summit will doubtless give him a lift in the polls. Conversely, the Panama Canal treaties and perhaps Salt as well, probably did him more damage than good. No one cared enough about them to give him the credit. Plenty of people approved them

The most startling instance of foreign crises affecting the President's popularity was the taking hostage of the Americans in Tehran, and the fact that they are still there after nearly eight months is noe of the causes of his present decline in public esteem.

None of which means that Mr Carter can look to successes on foreign fields to save him if unemployment is at 8 per cent and inflation at 15 per cent again come November. The part foreign policy plays in Mr Reagan's campaign is much higher than this analysis would suggest, however, and if the

US Elections

Republican challenger is determined to press the fight against the President on matters of defence and diplomacy (or national security, as he prefers to call it), then Mr Carter will be bound to respond.

The first of these challenges, and the most fundamental, is that America's defences have been neglected in recent years, and that the Russians now have, or will very soon have, a clear lead over the United States in all aspects of military power.

It does not help, the President very much to point out that the decline in defence spending goes back to the Republican days of Presidents Nixon and Ford. Mr Reagan is not loyal to those departed.

He also knows that a suggestion that the nation is in danger because of failures by the President appeals to the deep atavisms of the American people. John Kennedy in 1960 accused President Eisenhower of permitting the opening of a "missile gap" between the United States and the Soviet Union, to the latter's advantage and the allegation (later seen to be unfounded) helped him win that narrow victory.

It is a charge that Mr Carter will find very difficult to answer, and he is therefore inclined to respond that he is spending enough on defence and that to spend any more would be to take money away from welfare, and that the United States may cut its coat according to its much reduced cloth.

The other foreign policy issue that will play a large part in the election concerns Israel. Mr Carter is suspected of lacking total commitment to the policies of the Begin Government, and Mr Reagan makes a point of insisting that he, at least, is totally loyal to the old alliance with Israel. Here again, the aura of incompetence that hangs over Mr Carter's Administration affects public perceptions of his qualifications.

Worst of all, if the Camp David agreement breaks down before the election, whoever may be at fault, Mr Carter will be blamed by the electorate, and will be deprived of his favourite election slogan, "Vote for the Peacemaker".

What he will do instead is to paint Governor Reagan as a warmonger, as Mr Lyndon Johnson successfully painted Senator Goldwater in 1964. This is probably where foreign affairs will play their most prominent role in the election. Mr Carter and his assistants will not scruple to advance the argument that Mr Reagan's finger should be kept as far from the nuclear trigger as possible, and that whatever Mr Carter's failings on foreign and domestic policies, he can at least be trusted to think twice before getting us all blown up.

Port Vila takes hard line over constitution

From Denis Reinhardt
Port Vila, Friday morning

With a high-level Anglo-French mission due in Port Vila on Monday, the New Hebrides Government has firmly reiterated its refusal to negotiate any constitutional proposals which it believes France and Britain may have agreed to at a meeting in London on Wednesday.

The New Hebrides Government is convinced that the mission will threaten to postpone independence unless there is agreement on constitutional guarantees and political office for the French speaking minority.

A spokesman for Father Walter Lini, Chief Minister of the New Hebrides, told *The Times* last night: "We're not prepared to be abandoned by Britain for its long-term European interests".

Father Lini's Government, which won two-thirds of the Representative Assembly seats in elections last November, claims the talks by Paris and London, five weeks before scheduled independence on July 30, show France is a "bad loser".

"They said, 'before we played the game, let us know the rules'. The result of that game was clear and unequivocal. What right have they now to want the game to be reopened under a different set of rules?" the spokesman said.

Father Lini's Government's hardline attitude comes after the ministerial discussions in Paris and London — stretching more than a week — to which it was not invited to participate. It claims not to have been briefed either officially or privately on the outcome.

Last night a semi-official radio broadcast in the neighbouring French territory of New Caledonia, quoting Paris sources, noted that the London talks had been complex. "Amongst the more difficult problems, are the organization of real decentralization measures in the future independent state, the protection of the rights of customary chiefs, and guarantees for the cultural interests of the Francophone minorities and their participation in the future state," the broadcast said.

"The French Secretary of State's delegation at the talks is said to consider that the Chief Minister's recent statements against forming a government of coalition with the Francophone opposition, are directly opposed to the spirit of conciliation which are proposed by France and Britain and do not help the present situation."

In the past France has used Noumea radio to air its views on New Hebrides matters. British authorities here are understood to be concerned that the broadcast did not cancel the question of an end to the Espiritu Santo secessionist rebellion.

French choice: M Jean Aribaud, a senior councillor at the Department of Overseas Territories, has been chosen to represent the French Government in the talks in the New Hebrides which are to explore ways for the islands (Ian Murray writes from Paris).

M Aribaud has been in charge of the New Hebrides dossier at the Ministry for the past wto yers.

Assurance in Lisbon on Nato support

Lisbon, June 26.—President Carter said here that his talks with Portuguese leaders today had bolstered his confidence in the unity of the North Atlantic Treaty Organization.

After receiving a public assurance of support from President Antonio Ramalho Eanes, Mr Carter said the Western alliance was facing a new challenge to its most "vital economic" interests.

"Do we have the will, the capacity, the resolve to make a common stand? I am confident that we can and my confidence has been bolstered by the talks I have had here today", Mr Carter said at a state luncheon

Mr Carter had talks with Dr Francisco Sà Carneiro, the Prime Minister, soon after landing here for a six-hour stopover on his way back to Washington at the end of a European tour. Dr Carneiro told reporters they had discussed strengthening Western defence and had laid a basis for increased bilateral political and economic cooperation.

President Eanes said at today's luncheon that Portugal would never forget how America had stood by it when economic problems threatened the future of democracy after the 1974 revolution.

"Portugal will not act differently, within the limits of its possibilities and its own conditioning factors", he said. "In the disturbed present situation, Western solidarity assumes an increasingly higher importance. From our side, it will not be questioned. Portugal will fulfill all her engagements towards her allies."

Preliminary negotiations between Washington and Lisbon on providing a base for an American aircraft carrier, possibly in Lisbon, and stationing mid-air refuelling KC135 aircraft at the Beja air base south of here began earlier this year. Portuguese officials see the moves as an American attempt to improve its readiness to intervene quickly in any new Middle East crisis.—Reuter.

A happy welcome for President Carter, in Lisbon when he laid a wreath at the tomb of Vasco da Gama, the explorer.

Differences in Spain: The failure of the Spanish and American Governments to issue a joint communiqué at the end of President Carter's official visit to Spain today suggested that there are significant areas of disagreement, despite official expressions of friendship and solidarity (Harry Debelius writes from Madrid).

Representatives of both countries were still trying to write a joint statement in the early morning hours after President Carter had already gone to bed, informed sources said. But they apparently gave up after running into differences which appeared insoluble in the brief time which remained prior to his departure.

There are unofficial hints that Spanish officials hoped to weave into the communiqué some veiled criticism of the French desire to postpone Spain's entry into the EEC. Another stumbling block may have been American anxiety to place emphasis upon the prospect of greater Spanish participation in Western defence.

A statement issued by the Spanish Government alone said: "It is evident that Western solidarity constitutes one of the main aspects of democratic Spain's foreign policy." The statement referred to the Afghanistan invasion in tougher terms than those of the new United States move to respect "the legitimate security interests" of the Soviet Union in Afghanistan. It said that the only way to solve the problem was through a total withdrawal of Soviet troops, a policy of non-alignment and a respect for the wishes of the people.

There were no serious incidents to mar Mr Carter's visit. A Government ban on demonstrations was briefly defied by not more than 200 members of a leftist group calling itself the Anti-Militarist Movement. It took little effort by riot police to disperse them.

Rebuff by Moscow: The Soviet news agency Tass today stepped up its verbal onslaught against President Carter over Afghanistan, accusing him of deliberately lying and blocking a political settlement. The harsh commentary was clearly designed to dispel any hopes that the Kremlin might be tempted by recent American hints of flexibility on the issue.

During President Carter's European tour, White House and State Department officials have been emphasizing American readiness to hold talks with Moscow and offer the Kremlin a face-saving way out of Afghanistan. While he was in Spain yesterday, a White House official acknowledged to correspondents, that the Soviet Union had a legitimate security interest in Afghanistan.

The hostile Tass commentary indicated that there would be no positive response from Moscow.

It said that "anti-Sovietism and hostility to detenté were the basis for the President's policies, and Mr Carter was "obstinately and bashfully keeping silent" about the real causes of current world tension.

"Why, indeed, does President Carter keep silent on the obvious unwillingness of the United States to end the armed aggression against the Democratic Republic of Afghanistan organized by the United States and Peking from Pakistani territory?

"Why does he keep silent on the United States' unwillingness to pull out the American Navy from the Persian Gulf and the Indian Ocean?" Tass asked.—Reuter.

Russians withdrawing only unneeded troops

By Henry Stanhope
Defence Correspondent

Intelligence sources in London say that the Soviet Union has withdrawn about 6,000 troops from Afghanistan so far and the operation is continuing.

But the troops which have been withdrawn so far do not form part of any of the divisional formations, like the three motor rifle divisions and one airborne division operating in the country.

One tank regiment has moved from the Kabul area, and the others are air-defence, anti-tank and surface-to-surface missile units which have been proved largely redundant in a counter-insurgency campaign.

The sources point out that their removal eases the Soviet supply and support operations, and by publicizing the withdrawal Moscow has simply made political capital out of military convenience.

Before the withdrawal started Soviet troop strengths in Afghanistan were estimated as 73,000 ground troops, 7,000 air force members and, between 3,000 and 4,000 administrative staff.

The sources estimate the Soviet casualty figures at between 3,000 and 4,000, which is lower than some press reports have indicated. As many as one in three of these, however, is believed to be a fatality.

The Afghanistan Army is now thought to be down to between 40,000 and 50,000 in strength, compared with between 80,000 to 100,000 before the Soviet invasion.

Helicopter shot down on border

From Nicholas Ashford
Johannesburg, June 26

A South African helicopter has been shot down in the growing war along the border between the Namibia (South-West Africa) and Angola, the South African Defence Force announced today.

Both crewmen escaped unhurt, but the flight engineer was subsequently killed during an attack by Angolan forces. According to the statement, the pilot fought his way through the attackers to safety.

It did not say where the incident took place, except that it was in the "operational area" —a term used to describe the Namibian-Angolan border region where South African forces are fighting Angolan-based guerrillas from the South West Africa People's Organization (Swapo).

According to an Angolan Defence Ministry statement, reported by the Angolan news agency, the helicopter was taking part in an attack against Angolan positions. The statement said it was hot down on Monday as it was landing troops near the town of Kangongo in the southern Kunene province.

That South Africa has admitted the flight engineer was killed by Angolans seems to confirm that the aircraft was north of the border when it was shot down. It is no secret that South African forces regularly cross into southern Angola in pursuit of Swapo guerrillas or to attack Swapo camps, but they generally try to avoid direct contact with Angolan and Cuban forces in the region.

One of the biggest cross-border raids took place two weeks ago when a large South African armoured and airborne force struck deep into southern Angola, killing at least 200 Swapo personnel. Their own casualties were 16 dead.

The attacks come when there is growing international pressure on South Africa to agree to the implementation of United Nations Security Council Resolution 435 for a ceasefire and for United Nations-supervised elections in Namibia. This week Dr Kurt Waldheim, the Secretary-General, replied to a South African letter that expressed reservations about some aspects of the plan.

His reply is believed to have satisfied most, but not all, of South Africa's reservations.

It is thought that the latest attacks may be an attempt by South Africa to neutralize Swapo as far as possible before agreeing to a ceasefire. The attacks also coincide with a series of important constitutional changes affecting the territory.

Among the most important will be the installation next week of a 12-member ministerial council headed by a "prime minister". He will be Mr Dirk Mudge, leader of the multi-ethnic Democratic Turnhalle Alliance (DTA).

The council will have executive powers, although ultimate authority will continue to reside with South Africa and its representative in Windhoek, Dr Gerrit Viljoen, the Administrator-General.

OAU condemns arms build-up in Indian Ocean

Freetown, June 26.—Great power military expansion in the Indian Ocean was condemned in a resolution approved here yesterday by the drafting committee of the ministerial conference preparing the agenda for next week's summit meeting of the Organization of African Unity.

The text asks the big powers to respect the status of the Indian Ocean as a zone of peace and demands the dismantling of bases and other military installations.

Diego Garcia call: A majority of members in the Mauritius Parliament today urged the Government to demand formally the return of Diego Garcia, the American military base in the Indian Ocean.

Diego Garcia is a tiny island in the Chagos archipelago. This island group, including Diego Garcia, was ceded to Britain in 1965 before Mauritius received independence from the British Crown Agence France-Pierre and AP.

'Burdensome prolongation of life' can be refused

Continued from page 1

"By accepting them, the patient can even show generosity in thed service of humanit. It is also permitted, with the patient's consent, to interrupt these means, where the results fall short of expectations."

For such a decision to be made, account would have to be taken of the reasonable wishes of the patient's family, as also of the advice of the doctors. "The latter may in particular judge that the investment in instruments and personnel is disproportionate to the results foreseen. They may also judge that the techniques applied impose on the patient strain or suffering out of proportion with the benefits which he or she may gain from such techniques.

Finally, the statement reached this conclusion: "When inevitable death is imminent in spite of the means used, it is permitted in conscience to take the decision to refuse forms of treatment that would only secure a precarious and burdensome prolongation of life, so long as the normal care due to the sick person in similar cases is not interrupted. In such circumstances, the doctor has no reason to reproach himself with foiling to help the person in danger".

The document closed with the claim that it was inspired "by a profound desire to serve people in accordance with the plan of the Creator. Life is a gift of God and on the other hand death is unavoidable. It is necessary therefore that we, without in any way hastening the hour of death, should be able to accept it with full responsibility and dignity."

The statement was signed by Cardinal Seper, the Prefect of the Sacred Congregation, and by Mgr Jerome Hamer, the Secretary. Attention is specifically drawn to the Pope's approval.

Salisbury to end diplomatic links with South Africa

From Frederick Cleary
Salisbury, June 26

Mr Robert Mugabe, the Zimbabwe Prime Minister, said today he was going to cut diplomatic ties with South Africa and maintain only economic links. In a policy statement he told Parliament: "We cannot have any political and diplomatic relations with South Africa until it puts its own political house in order and kills the repugnanceand revulsion we have to apartheid."

To resounding applause from the 80 black members of the 100-seat House of Assembly, Mr Mugabe acknowledged that South Africa was a geographic and economic reality upon which Zimbabwe had became much more dependent over the past 15 years. This reality could not be ignored and in such circumstances trade or economic relations were inevitable. Accordingly it was necessary to allow representation at that level.

On internal matters, Mr Mugabe accused members of Mr Joshua Nkomo's Zipra forces of using their power to influence political affairs.

Mr Nkomo sat beside Mr Mugabe on the front bench as the latter said there was no evidence to link these Zipra activities with the leadership of the Patriotic Front party. He said the government would not tolerate disloyalty and the police and military would deal with the situation. Recent operations in Matabeleland, north-west of Bulawayo, had been successful.

Zimbabwe and the Vatican have established diplomatic relations. The representation will be on the level of a nunciature on the part of the Holy See and of an embassy on the part of Zimbabwe.

Despite the Marxist learnings of some members of his Government and some of his own communistic pronouncements during his spectacular rise to power, Mr Mugabe was born a Roman Catholic and educated at a Catholic mission. The independence celebrations on April 18 were blessed by the Roman Catholic Archbishop of Salisbury, the Most Rev Patrick Chakaipa, and the church in Zimbabwe has been closely associated with the nationalist movement.

BBC report urges changes in Zimbabwe broadcasting

From Our Correspondent
Salisbury, June 26

A BBC report published here criticizes Zimbabwe broadcasting services and recommends extensive changes.

One of its main suggestions is that the Zimbabwe Broadcasting Corporation (ZBC) be made independent of government and political interests and serve people of all races. It says the performance of previous boards of governors was "discreditable".

The report was commissioned by Mr Robert Mugabe, the Prime Minister, soon after he assumed office earlier this year. Four Senior BBC officials went to Salisbury to examine radio and television services.

Their report was tabled in Parliament by Dr Nathan Shamuyarira, the Minister of Information, whose ministry is responsible for policy control of the state corporation. The report was eagerly awaited, because the use of state radio and television by the Rhodesian Front government for propaganda drew much local and international criticism as have recent political commentaries authorized by the new authorities.

The commentaries drew so much white criticism that the Prime Minister intervened. They have been stopped and a new format promised.

The BBC report said it found little respect or authority for the ZBC among the press and general public and it lacked credibility. It suggested that senior staff from all departments be sent to Britain for technical courses and refresher training and that at least four BBC journalists be attached to the ZBC newsroom.

Mr Botha set to meet church leaders for talks

Pretoria, June 26.—Mr P. W. Botha, the South African Prime Minister, said today that he was ready to meet church leaders here on August 7 for talks on national issues.

He was responding to a new statement by the South African Council of Churches on his terms for such a meeting. It had been proposed by the strongly anti-apartheid Christian umbrella organization through Bishop Desmond Tutu, its Anglican general-secretary.

Bishop Tutu, a black activist, had said a meeting with Mr Botha was urgent because of the serious crisis in South Africa after the recent 32 deaths, mostly in the Cape Town area, in the worst violence since the Soweto student riots four years ago.

Mr Botha had posed four conditions for such a meeting: the rejection of communism, dissociation from campaigns discouraging young men from national service, a renunciation of violence and repudiation of the banned African National Congress.

The Prime Minister rejected the council's first response to his conditions as insufficient and unsatisfactory. Last night it issued a new statement rejectin gviolence as a means of maintaining or overthrowing the authority of the state.

Fears for Kenyan tourist trade after robberies

From Our Correspondent
Nairobi, June 26

Tour operators here are urging the Kenyan Government to take further action to protect tourists in areas near the Tanzanian border in the wake of three recent attacks by armed Tanzanian gangs on tourists in the Masai Mara game reserve.

Two incidents in the past week have alarmed tour operators who fear there will now be large-scale cancellations of bookings. In one incident, uniformed Tanzanian troops raided a luxury camp and robbed 10 American tourists of money, clothing and valuables.

In the second incident, raiders held up a bus on a lonely track and forced two British and two American tourists to walk several miles into Tanzania before robbing them. The tourists' shoes were taken and they had to walk back to Kenya barefoot.

The Kenyan authorities are stepping up police patrols in the border area, but they face a difficult task as the border is unmarked and uninhabited. Several of the safari trials used by tourists pass close to the Tanzanian border.

There are hardly any tourists on the Tanzanian side of the border, but the tourist trade on the Kenyan side has boomed since Tanzania closed its border with Kenya more than three years ago. Many tourists stay in isolated camps miles from the nearest police posts, an done of the attractions of the Masai Mara is its unspoilt atmosphere with herds of wild game.

Ten hurt in blast at oil refinery

Sydney, June 26.—Ten workers were injured, one critically, in an explosion and fire at an oil refinery in a Sydney suburb today.

Many of the injured, were buried beneath the rubble of a 30ft chimney. The explosion was heard for miles around.—Reuter.

Brundage's sons win will claim

Santa Barbara, June 26.—Two brothers claiming to be illegimate sons of Avery Brundage, former president of the International Olympic Committee, have been awarded $62,500 (£27,000) each from their father's $19m Californian estate.

Disaster predicted in Jamaica

From Ivor Davis
Kingston, Jamaica, June 26

The president of Jamaica's manufacturers' Association last night said the country was living a hand-to-mouth existence from revenues from the bauxite and tourist industry, but that could not stave off economic collapse.

Mr Winston Mahsood, addressing the annual meeting of the association, described a country crumbling, crippled by growing violence. Even workers who sought jobs were unable to leave their homes because of the violence.

"This charade cannot continue much longer. The wheels of our plants are grinding to a halt, our bankers will move in and close our plants and our workers will be left to fend for themselves without a job or a means of livelihood."

Predicting economic disaster, he said that since the break with the International Monetary Fund foreign exchange had virtually dried up, credit from traditional suppliers of raw materials had disappeared almost overnight and import licences could not be issued.

The withdrawal of insurance by the British Export Credit Guarantee Department meant there was an embargo on raw materials and other imports previously shipped from the United Kingdom.

On violence, which continued to be reported prominently in Kingston this week, Mr Mahsood said many workers had been forced to flee their homes. Violence had led to widespread absenteeism and had resulted in companies being unable to meet contractual obligations.

In two separate incidents yesterday four men were shot dead, and two girls and a woman wounded.

Mr Mahsood said the increase of violence had resulted in the loss of hundreds of thousands of dollars in export orders because companies could not meet delivery commitments. "Unless the scourge of violence and political intimidation can be controlled and its effect on a worsening performance in the export [illegible] abroad".

هكذا من الأصل

ean states adopt united stand ainst Hanoi's aggression d attempts to split alliance

avid Watts
umpur, June 26

oreign Ministers of the ion of South-East Asian (Asean) warned Viet-ight that it must mend if there is to be any on of talks over Kam-

Vietnamese showed a tive attitude, ministers l that there would be ess to reopen talks with But, for the present, Indonesians and Malay-are discounting any discussions in the wake nam's incursion into

rst casualty of Asean's e against Vietnam— no longer any foxing of ts with references to ather than Vietnamese vill most likely be a nent of a visit to Air Chief Marshal Savetsila, the Thai Minister. There has so no response to an invi-Mr Nguyen Co Thach, amese Foreign Minis-sit Singapore on July The visit is now most to take place.

e foreign ministers ains to point out at a ference at the conclu-their two-day annual hat they will still seek l solution in Kampu-ny member of Asean be free to talk to ovided that the Vier-e not given an oppor-resume their attempts e association.

Quite how a political solution can be found without some sort of contact with Hanoi, the ministers were unable to say.

Mr Sinnathamby Rajaratnam, first Deputy Prime Minister of Singapore, said the Vietnamese had hitherto used their dialogue with individual Asean countries as a weapon to see how far they could undermine its solidarity. Asean believes that Hanoi's policy has been to try to persuade those countries with the most fear of China—Indonesia and Malaysia—that to forestall the long-term Chinese threat, they must accept a Vietnamese *fait accompli* in Kampuchea and allow Vietnam to prepare for the greater Chinese threat.

To that end Indonesia and Malaysia have been tempted to withdraw recognition from the Pol Pot regime in Kampuchea, which is Chinese-sponsored, as a first step towards accepting the right of the Heng Samrin regime, which is Vietnamese-sponsored, to represent Kampuchea at the United Nations.

However, today's final communiqué reaffirmed Asean solidarity behind the Pol Pot regime when the question of its accreditation at the United Nations comes up again this autumn.

Air Chief Marshal Siddhi revealed that 22 Thai soldiers had been killed and seven wounded during the Vietnamese attack on Thailand and there had been large numbers of civilian casualties. He added that 100,000 refugees had been forced into Thailand, many of whom were now in no man's land between the opposing armies.

He confirmed that a Thai reconnaisance aircraft and a helicopter were shot down.

The ministers, in their final communiqué, reaffirmed their call for the withdrawal of foreign forces from Kampuchea and the exercise of self-determination for the Kampucheans, free from outside interference. Likewise Asean condemned the Soviet occupation of Afghanistan.

The foreign ministers of the Asean countries, Thailand, Malaysia, Singapore, the Philippines and Indonesia, also called attention to the urgent need for more international help for Thai villagers who have been displaced by the influx of Kampucheans and recommended improved border encampments with better protection from hostilities for the refugees.

They also said that a senior representative of Sir Robert Jackson, the coordinator of the relief programme, should be provided with a permanent office in Bangkok to coordinate relief efforts; that a special fund for Kampuchean refugees should be set up, and that more international officials with greater access and mobility were needed in Kampuchea.

Tonight the Asean ministers began the first of their meetings with other countries with discussions with Mr Andrew Peacock, the Australian Foreign Minister, Mr Edmund Muskie, the United States Secretary of State, arrives tomorrow

Mrs Indira Gandhi, India's Prime Minister, being comforted by her eldest son, Rajiv Gandhi, during the ritual of the collection of the ashes of Sanjay Gandhi.

Opposition forces debate on Sanjay crash

Delhi, June 26.—Opposition members walked out of the Indian Parliament today after a minister tried to preempt their notice for a debate on the aircraft crash that killed Sanjay Gandhi, the son of Mrs Indira Gandhi, the Prime Minister.

Their protest forced the chairman of the Upper House to agree to a debate tomorrow on the abrupt cancellation of a court of inquiry into Monday's crash.

The Prime Minister's son was cremated two days ago, and his ashes were collected in copper and brass urns from the funeral pyre today to be immersed in some of the country's holy rivers over the weekend.

Mr A. P. Sharma, the Civil Aviation Minister, earlier told the Lower House that the court of inquiry was dropped after the Government discovered that an inspector accidents had already been appointed, the minister added that the inspector normally investigated all accidents involving small aircraft, including those of flying clubs.

Soviet nerve gas 'sent to Eritrea war zones'

From Charles Harrison
Nairobi, June 26

Eritrean nationalist groups say a quantity of lethal nerve gas, recently shipped from the Soviet Union to Asmara, has been moved to areas of northern Eritrea for use against the Eritrea for use against the guerrillas who are entrenched there. So far there are no reports of the gas being used. used.

The Soviet Union has also supplied 24 helicopter gunshsips and 200 troop-carrying helicopters, plus about 200 Soviet advisers who are assumed to be preparing for an assault against the Eritrean guerrillas who have succeeded in resisting the Ethiopians for 18 years.

Eritrean sources say the Soviet advisers include a number of experts in chemical warfare.

An Ethiopian drive to crush the last pockets of resistance has been expected for some weeks, but it appears to have been delayed by guerrilla successes aaginst some probing attacks by the Ethiopians.

A new turn has been given to the Eritrean situation by a recent agreement between the Ethiopian and Sudan Governments to cooperate in restoring normal conditions along the border between Eritrea and Sudan. Sudan is no longer allowing supplies to reach the Eritreans who must now rely on limited shipments of arms by sea to isolated locations along the Red Sea coast.

But the Eritrean insurgent groups are continuing to refuse to negotiate with Ethiopia, and are maintaining their long-standing demand for complete independence.

Most of the main towns in Eritrea are in government hands, but the insurgents retain control of Nakfa, in the north, and claim to be harassing movements between other centres.

Meanwhile, Ethiopian military activity is increasing along the Ethiopian-Somali border. For the third time within a week Ethiopian MiG fighter bombers attacked the Somali town of Dolo, killing one civilian and injuring another. The four attacking aircraft destroyed a school building, Somali government sources stated.

Around Dolo there are a number of camps housing more than 100,000 refugees from the adjoining Ogaden area of Ethiopia. Two Ethiopian aircraft were shot down in raids earlier this week, and one Ethiopian pilot was captured after parachuting to safety. An Ethiopian helicopter rescued another pilot, heightening speculation that Cubans or Russians are piloting some of the Ethiopian aircraft.

Somali sources say Ethiopian attacks have been increased in apparent response to increased attacks by the Western Somali Liberation Front guerrillas operating inside the Ogaden.

Foreign Report is on page 18

ina ponders another asion of Vietnam

id Bonavia
une 26

n's attack on border Thailand has increased ibility of a second invasion of northern according to qualified here.

nsible Chinese official : "If Vietnam attacks China will stand on side." Although ipport for Thailand is ically promised, China feel obliged to make romise of support for ial power attacked by Union or its allies.

credibility has already rom its failure to do than voice protests Soviet invasion of n, a bordering state. ase of Vietnam, China better equipped to e enemy both mili-conomically, and help ressure off Thailand emaining Khmer in-

considered its last in-Vietnam, launched st year and which r 16 days of fighting, elf-defensive counter-nd also as a "lesson etnamese".

hen hints have been about the possible a "second lesson", one way in which ld enhance its image her South-East Asian a strong neighbour to use force to main-tatus quo.

s not only committed and material support hmer forces opposing m-backed government n Penh. It is also ly concerned at the nion's use of both strategic location and naval and military built there by the s.

Peking strategists see this as a determined move by Moscok to establish an effective naval presence around the Straits of Molucca to intimidate regional governments.

The infrastructure for a second Chinese attack on Vietnam is mostly in place and would only ned a week or two's reinforcement to be ready for combat.

With the recurrent border incidents and the continued expulsion of people of Chinese descent from Vietnam, many of them complaining of persecution there, China has no need to search for an excuse to invade Vietnam.

The People's Daily, in a commentary, has warned Vietnam against "miscalculating" in its attacks on Thailand.

China's main concern must be that in the event of further hostilities with Vietnam, the Soviet Union might use its growing air and naval presence in the area directly in Vietnam's support.

Throughout Chinese statements and comments about the situation on the Kampuchean-Thai border, there i sa tone of self-vindication. The situation in Afghanistan, Peking believes, has brought home to world opinion, and especially to the West, the dangers of Soviet expansionism.

The latest flare-up on the Thai border seems almost calculated to alarm the member states of the Association of South-East Asian Nations and will probably hasten the opening of Chinese embrassies in Indonesia and Singapore.

The fighting also serves to emphasise the common interests of China and the United States in containing Vietnam and preventing the further growth of Soviet power and influence in the strategically sensitive region of the South China Sea.

da bishops or action ime wave

Correspondent
une 26

n bishops in Uganda d on the Government ore to overcome the ave and wide-spread hich, they said, were ndreds of people every

shops, headed by the p of Uganda, the Most mo Wani, said cattle Karamoja was caus-numbers of deaths, tribal revolt in the area was causing un-and retarding develop-ey urged everyone to withh the Government about peace and stabi-

of prayer is to be held day. The bishops to all political parties. paring for Uganda's tions for 18 years, to at no one was intimi-prevented from exer-free choice.

Lord Carrington condemns attack on Thais

Lord Carrington, the Foreign Secretary, yesterday deplored the "violation" by Vietnam of Thailand's territory and called for the withdrawal of all Vietnamese troops from Kampuchea.

In a statement, issued by the Foreign Office, Lord Carrington said: "The Vietnamese incursion into Thailand on June 23 and 24 marks a serious escalation in Vietnamese aggression against neighbouring countries.

"The British Government deplores this violation of Thailand's territory and the further suffering inflicted on the Thai and Cambodian (Kampuchean) civilian population.

The statement follows a strong condemnation of the Vietnamese military intervention by Mr Edmund Muskie, the American Secretary of State.

npala bill for Tanzania ps climbs to £60m

la, June 26.—Uganda Tanzania more than the past year for the Tanzanian troops and o have been in Uganda y helped to overthrow Amin regime in April igures released here

um, mentioned in the budget estimates given ers of Uganda's interim nt, the National Con-Council, is substantially than an estimate last £48m.

ther £30m is set aside ania, out of a total sum which Uganda intends d on internal security inancial year beginning

ce budget, covering the Army, police and payments to Tanzania, and accounting for 31 per cent of all government spending, is up this year by £26m compared with 1979-80.

Agriculture, Uganda's primary source of export earnings, by comparison has been allocated only £25m in the budget, which was presented to the National Consultative Council on Monday by Mr Lawrence Sebalu, the Finance Minister.

The proportion spent on defence was loudly criticized by council members in the budget debate which followed. One member, Mr Israel Mayengo, commented later: "Sometimes one is tempted to think we do not have a shortage of money, only a shortage of common sense."—Agence France-Presse.

Tripos results at Cambridge

The following Tripos examination results from Cambridge University are published with the third class omitted.

*denotes distinction

HISTORICAL TRIPOS PART 2

Class 1: P. L. G. Allen, Clifton C, Bristol and Magd; R. Brent, City of London and Pet; H. D. Brodie, King Edward's, Bath, and Trin; G. P. A. Brown, The Leys, Cambridge, and Queens'; M. J. Chick, St Edmund's, Ware, and Magd; S. J. Cooper, N London Collegiate and Newn; J. D. Derbyshire, Desborough, Maidenhead, and Jesus; A. M. Drew*, Blackheath HS and Clare; M. J. Embleton, Mary Datchelor and Newn; D. J. Evans, Priory and Cath; C. M. Freer, Cheadle Hulme and Newn; G. S. Garnett, Haberdashers' Aske's and Queens'; G. R. C. Graham, Eton and Trin; H. P. Gusterson, Dulwich C and Caius; T. G. J. Harris, Strodes C and Emm; J. M. Harrison, Bristol GS and King's; D. S. H. Hobson, Cranleigh and Magd; C. R. Husbands*, King Edward VI, Nuneaton, and Emm; D. March, Battersea GS and Jesus; C. M. Northeast, Theale Green, Reading and Clare; G. Redworth, New C, Wellington, and Jesus; T. J. Ridyard, Bolton and Selw; M. J. Sewell, Whitby and Christ's; R. P. Tomlinson, Bedales and Clare; K. Watson, Ashington HS, Northumberland, and Clare; M. W. Williams, Winchester and Trin H.

...

C. Wotton, Thames Valley C and and Newn.

Granted an allowance towards the ordinary BA degree: M. H. Mackay, Farnborough SFC and Trin.

MATHEMATICAL TRIPOS PART 2

Wranglers: R. B. Abbott, Guildford RGS and Churchill; M. J. K. Blomley, Theale Green, Berks and Down; R. E. Borcherds, King Edward's, Birmingham and Trin; M. C. Bowman, Bristol GS and Trin; P. L. H. Brooke, Winchester and Caius; A. D. Burns, W. R. Tuson C, Preston and Trin; A. G. Buntany, Sullivan Upper, Holywood and Trin; D. E. Chapman, Ipswich and Trin; H. R. G. Clay, Solihull and Jesus; G. J. Cooper, King's GS, London and Trin; D. G. Coster, Auckland GS, New Zealand and Corpus; P. M. Crabtree, Westminster and Trin; S. B. Crouch, Abingdon and Churchill; S. J. Dilworth, Manchester GS and Trin; A. J. Dix, Howardian HS, Cardiff and Trin; B. J. Elliott, Reigate GS and Churchill; M. D. Freeman, Collyers and Corpus; D. Greenhalgh, Merchant Taylor's, Crosby, and Emm; J. P. Halsey, Haberdashers' Aske's and Jesus; M. J. Hodgson, Runshaw SFC, Preston and Trin; P. A. Hodkinson, Wimbledon C and Joh; G. R. Jones, Whitecross, Lydney and Christ's.

F. C. Kirwan, Oxford HS and Clare; N. D. Levine, Mill Hill and Churchill; M. W. Long, Havant C and Joh; J. N. S. Matthews, Nelson and Colne C and Sidney; M. A. Muffett, Westminster and Trin; S. C. Phillips, N London Collegiate and Newn; F. Ponce, Runshaw C, Preston and Trin; T. J. Ransford, Bishop Challoner's and Trin; ...

Grenville, Cheltenham Ladies C and Girton; J. E. Heald, Tonbridge House, Horsham, and New H; C. Law, Durham Tech C and Lucy C; C. A. T. Malone, St Mary's, St Leonard's, and New H; N. M. Savage, St Catherine's, Bramley, and New H; C. J. Scull, Ilkley GS and Pemb; M. Shanks, Newcastle upon Tyne RGS and Pet; A. M. Stewart, Trent U, Canada, and Fitzw; L. A. Taylor, Truro HS and Sidney; C. L. Walling, Abbey, Reading, and New H; A. J. M. Whitley, Daniel Stewart's and Melville C, Edin, and Caius; A. P. Witham, Dame Alice Harpur and Newn; N. M. Woods, Farnborough Hill Convent C and New.

Class 2, div 2: J. K. Autun, Northgate GS, Ipswich, and New H; P. R. Chart, King's, Wimbledon, and Emm; Y. Fukasawa, Meiji U, Tokyo, and New H; S. P. Harris, Lady Manners, Bakewell, and New H; E. S. Pinder, Godolphin and Latymer and Girton; S. Poole, Leicester U and Lucy C; S. T. Pratt, Sheppey and Pemb.

PHILOSOPHY TRIPOS PART 1 B

Class 1: S. A. Gardner, Latymer Upper and King's. Class 2, div 2: S. Akhtar, Belle Vue, Manchester and Cath; D. K. Ashworth, Blackpool Collegiate and Pet; A. Bailey, King Edwards, Birmingham, and Trin H; R. L. Ball, Brentwood and Christ's; P. P. S. Fokele, Dulwich C and Caius; N. C. Kempe, Stowe and Clare; E. M. Kendall, N London Collegiate and Trin H; D. J. King, St Augustine's RC HS, Edin, and King's; P. A. Lawton, Leamington C and New H; S. P. McEvoy, Gunnersbury Cath HS and Christ's; ...

EDUCATION TRIPOS

...

... Truro HS and Girton; N. A. Cullen, Newcastle upon Tyne RGS and Pemb; A. J. Smith, Malvern C and Magd; J. R. Smith, Wolverhampton GS and Jesus.

ARCHAEOLOGICAL AND ANTHROPOLOGICAL TRIPOS PART 2

Archaeology, Class 1: M. S. Gregson, Colchester RGS and Joh; S. K. F. Stoddart, Winchester and Magd; A. D. Tomlinson, Haberdashers' Aske's and Joh.

Class 2, div 1: S. J. Buttler, Marton SFC, Middlesbrough, and Caius; J. C. ...

... Gardens, Belfast, and Hom; A. W. Law (a), Tonbridge and Queens'; H. E. Massey, Bramhall HS and Hom; A. P. MacDonald, Lark Hill House, Preston, and Hom; P. S. McPartlin (a), Bradford U and Emm; H. J. Mitchell, Oakbank GS, Keighley, and Hom; C. K. Nash, Cobham Hall, Gravesend, and Hom; C. V. Oliver, Aylesbury HS and Hom; E. A. Peake, Wimbledon HS and Hom; S. S. Percival, Lutterworth GS and Hom; J. A. Rees, S Hampstead HS and Hom; V. L. Robson, Wycombe Abbey and Hom; N. J. Swindin, Birkenhead HS and Hom; J. M. Wylson, Walthamstow Hall and Hom.

Kenyan airman's plea for asylum is rejected

The Home Office has rejected a plea for political asylum for a Kenyan airman who fled to Britain to be with his wife and baby daughter.

Mr Timothy Raison, Minister of State at the Home Office, has told Mr Warren Hawksley, Conservative MP for The Wrekin, that he has been unable to find grounds for granting asylum to Mr Owino Okwiri, aged 23, who is in Shrewsbury prison awaiting a decision on his fate.

Magistrates at Much Wenlock, Shropshire, will have to decide today whether to extradite him for desertion from the Kenyan Air Force under the provisions of the Visiting Forces Act, 1952. Mr Okwiri's wife, Gwynneth, aged 22, lives with their daughter Caroline, aged 18 months, at Tweedale Crescent, Madeley, Telford.

They married after meeting when Mr Okwiri was on a training course with the RAF in 1977. Mr Okwiri deserted because he believed he would not be allowed to return to Kenya with his British wife. He was arrested and returned to Kenya, where he was jailed. He claims that he was beaten regularly. After being released he fled to Britain.

Mr Hawksley said yesterday that Mr Raison had told him in a letter that he could not accept Mr Okwiri's fear that he would be put before a firing squad if sent home. Mr Raison said he was not satisfied Mr Okwiri had a case for asylum, although he accepted that there were compassionate elements in the case.

Mr Hawksley said he was asking the Foreign Office to make representations to the Kenyan Government to ensure that Mr Okwiri was guaranteed fair treatment if he was sent back.

Libel damages for London casino owner

Mr John Aspinall, a club owner, was given a public apology in the High Court yesterday over allegations in the *Evening News* that he planned to ban Arabs from his new casino in Knightsbridge, London.

Mr Aspinall accepted undisclosed damages and costs in settlement of his libel action against Associated Newspapers Ltd, publishers of the London *Evening News*, and Richard Compton Miller, a journalist.

Mr David Eady, for Mr Aspinall, said his client received an anonymous letter, purporting to come from the Socialist Workers' Party, accusing him of racial discrimination

Aspinall's Club Ltd also received an apology in settlement of another action against Nigel Dempster, diary editor of the *Daily Mail*, and Associated Newspapers.

An article in October, 1978, had alleged that Mr Aspinall's game park in Kent could be in danger of closure because the London club was doing poor business.

THE ARTS

Casting Nijinsky to the wolves

Nijinsky (AA)
Empire

Zombies (X)
Classics Haymarket, Leicester Square, Oxford Street

The Wobblies
ICA Cinema

Guyana : Crime of the Century (X)
Odeons Kensington, Westbourne Grove

Herbert Ross's *Nijinsky* might more accurately have been called *Diaghilev*—not only because the dancer flops like an abandoned marionette when the impresario cuts him out of the Ballet Russes, nor because the film argues that Diaghilev invented rather than discovered Nijinsky. *Nijinsky* is a film about Sergei Diaghilev because of the inequality of casting.

Alan Bates plays the hard-headed impresario, the Russian bear of a bully who managed and manipulated talents 10 times his size by a glare or a word or the raising of an eyebrow towards the white flash through his hair. It is a strong, manly performance, far more successful than the similar role, as Bette Midler's cajoling manager, which he played in *The Rose*.

The screenplay then demands a similarly self-willed opponent in Vaslav Nijinsky, a dancer who could wrest his performance from less exciting choreographers and direct his own career. From the photographs of Nijinsky by Baron Adolphe de Meyer, we should expect a strange-shaped, muscular, bold-thighed young man with the gaunt face of a determined devil. Here is a man who can stand up to Daighilev, who can tempt and tease with the promise of seduction, who can do as he likes through the threat of his body.

Herbert Ross has cast George de la Pena as Nijinsky. He is a slight, boyish dancer from the American Ballet Theatre and, set against Alan Bates, becomes not the powerful opposing force of Nijinsky but the effeminate lush of an unequal homosexual affair. The spine of the film is thus made flimsy and the running battles of will become shadow-boxing.

Another major casting flaw is Leslie Browne as Romola de Pulsky, the fiery Hungarian heiress who determines at an early stage that she shall marry Nijinsky. It is a crucial role, the reason for Diaghilev's spiteful curtailment of Nijinsky's contract, which, according to the screenplay, resulted in the dancer's insanity. She should have appeared a grasping, spoilt bitch.

Leslie Browne is a timid soul who makes Romola's purchased progress through the Ballets Russes appear a sincere and ponderous scaling of the lower heights. She cannot show how a sly, wilful woman inveigled her way between Nijinsky and Diaghilev, nor, in a scene where Diaghilev kills her with kindness, can she hint that, evil, as she is, Nijinsky is now in safer hands.

This poor casting is all the more surprising when it is known how carefully Herbert Ross chose his actors. For instance, over 60 women were auditioned for the part of Romola before he returned to Miss Browne, an actress he had previously used in *The Turning Point*. Ross sees himself as the principal director of ballet on film. He is a former choreographer and his wife, Nora Kaye, the film's co-producer, is a former principal dancer with the New York City Ballet.

Balletomanes had little to thank Herbert Ross for in *The Turning Point*, despite a splendid company of dancers which included Mikhail Baryshnikov. The laboured plot always took precedence over the dancing. Dance sequences were intercut with a close-up of Shirley MacLaine in open-mouthed wonder.

There is only a slight improvement with *Nijinsky*. A conspicuous effort has been made to reproduce the Nijinsky choreography and the Leon Bakst sets and costumes: the Fresian outfit for *L'Aprés Midi d'un Faune*; the rarely seen *Jeux*. But the wonder of the leap through the window in *Le Spectre de la Rose*, where Nijinsky is supposed to have appeared halted in space, is spoilt by miserable slow motion. And in *Scheherezade* the puppet is made to ape one of the film's central images, of the mad Nijinsky, strait-jacketed and helpless in a padded cell.

Lovers of dance will be alternatively overjoyed and infuriated. All the dance sequences, which feature members of the London Festival Ballet, are truncated and intruded upon by reaction shots of a face in the audience or in the wings. Rarely can the choreography be seen from the audience side of the proscenium, as Ross allows the camera to wander around the stage at close quarters, perverting the intended perspective.

And, although the film is a monument to one of the most celebrated and artistically successful homosexual affairs of the century, it is unlikely to please homosexuals. The plot is riddled with the campery and the bitchery of cliché queendom. Alan Badel is encouraged to overplay the precious extravagance of the frustrated patron, Baron de Gunzberg, and the central love affair is portrayed as a classic case of predator and youthful victim.

Nicholas Wapshott

In *Night of the Living Dead* (1969), a low-budget, nicely off-centre shocker, a group of Middle Americans were besieged in a farmhouse and ultimately overwhelmed by ravening waves of fast-multiplying zombies, human corpses fatefully revived by a blast of radiation. The director, George A. Romero, envisaged the film, his first theatrical feature made with friends in a rented building, as the start of a trilogy: the world was finally to be overrun by the undead with enclaves of humans, trapped in society's old hierarchies, attempting to control these possessed, ungainly and ultimately rather pathetic creatures.

Dawn of the Dead (1979) the second instalment of the trilogy (retitled *Zombies* for its British release), ponderously outlines as emblematic battle in the campaign for world control: the action, in keeping with a much-expanded budget has been transferred from the monochrome shadows of the farmhouse to the candy-coloured expanses of a Pennsylvanian hypermarket crammed with the treasures of American consumerism. The conventions of the first film have been abandoned in favour of a joshing tone and what Romero has called "fantasy violence", relentlessly graphic, essentially unreal Technicolor gore to which one can only react with knowing rather than nervous laughter.

The principals, two vigorously masculine policemen (Ken Foree and Scott H. Reininger) and an uncertain middle-class couple (David Emge and Gaylen Ross), seek refuge in the civil-defence shelter atop the hypermarket, seal off the premises below, cleanse the fluorescent concourses of the zombies who have instinctively returned to this womblike temple, and nervously settle down to living through a childish fantasy of having everything they desire. Meanwhile the zombies, who mill outside, their faces pressed to the glass, are not so much infernal "aliens"—cousins to the pod people of Siegel's *Invasion of the Body Snatchers*—as dark reflections of their human originals. (This, at least, is Romero's stated view of his simulacra.)

Apart from a bravura opening sequence, in which the police attempt to make some headway in a ghetto building alive with zombies, and the odd moment of lugubrious humour, *Zombies* remains a notably routine entertainment, a monument less to Romero himself than to Tom Savini, the cosmetics special-effects man. The director's 1977 film *Martin*, released in Britain last year seems in retrospect, with its haunting theme of a "vampirish" adolescent youth, disconsolately wandering in the bleak environs of Romero's Pittsburgh, unsure of his identity and bowed by the weight of a bloody family tradition, a far more resonant commentary on the psychological state of the nation than this repetitive exercise in horrors.

There is discursive resonance of a wholly different kind in *The Wobblies*, Stewart Bird's and Deborah Shaffer's commendably researched though somewhat loosely structured documentary on the IWW, the Industrial Workers of the World. Former American "Wobblies" (as the union's members were known), all now in their eighties or nineties, and all apparently vigorously alert, talk about their experiences as unskilled labourers—silk weavers, longshoremen, textile workers, lumberjacks—in the first decades of the century. What emerges most consistently from these reminiscences is the sense of dignity (and, it seems, wry good humour) the IWW conferred on its rank-and-file members.

The apocalyptic nature of the IWW's conception of its role—the expropriation of the means of production, "the possession of the world", its direct advocacy of sabotage—is not analyzed in detail; nor are some key aspects of the union's volatile history, its schisms and, in the Twenties, its quarrels with the US Communist Party. Sixty-eight years after the event, however, it remains both fascinating and instructive to hear a first-hand account (against a succession of vivid, naive storyboard paintings) of the Wobblies' successful strike in Lawrence, Massachusetts, against conditions in the town's woollen mills.

Guyana: Crime of the Century treats in ludicrously dramatized form the events leading to the murder and mass suicide of the nearly 800 Americans who had fallen under the thall of the messianic evangelist James Jones. Directed by René Cardona Jur (whose Mexican production company Re-Al was earlier responsible for the equally opportunistic *Survive!* "an account of the Andes "cannibals"), from a script replete with clichéd, po-faced dialogue, the film singularly fails to answer any of the questions its subject begs. Stuart Whitman, as Jones (renamed Johnson), remains stolidly Stuart Whitman; several veteran players, including Joseph Cotten and Yvonne de Carlo, offer vain support; and a sort of distasteful artlessness hangs over the whole project.

John Pym

Alan Bates and George de la Pena in *Nijinsky*.

Merce Cunningham's evergreen commitment

Merce Cunningham has often been described as a leader of the avant-garde in dance, but when I asked him whether he found that description helpful or accurate I was not at all surprised to hear him answer: "I find it meaningless. It has no meaning for me in relation to my work." He made it clear that he would be happy if more recent waves of experiment in dance robbed him of the title, although he added: "I hope we are still doing something new."

Cunningham has been doing something new for quite a time now. When we met recently he looked fit and relaxed in spite of a gruelling day with many appointments, mainly to settle details of his activities in London this summer. But there is no great secret about the fact that he is almost an exact contemporary of Margot Fonteyn, actually just a month older.

That has not stopped him from taking on a week of performances with his company at Sadler's Wells, starting on Monday, with almost nightly changes of programme, followed by a week of classes, lectures and workshops for the Laban Centre at Goldsmiths' College and a performance at Riverside Studios of his Dialogue with John Cage.

Cage and Cunningham have been collaborators ever since the concert in 1942 when Cunningham presented his first choreography. He was then 23, had joined Martha Graham's company as a soloist straight from his professional school training, and in his own creative work reacted against her highly emotional, narrative choreography to produce a style in which the dance would be interesting for its own sake. Cage wrote the music for a solo, *Totem Ancestor*, on Cunningham's first concert. The next year, Cunningham reciprocated by playing the marimbula in the percussion concert which was Cage's first important New York engagement.

Collaboration, however, is not quite the word for the way of working which Cage and Cunningham evolved. For that first joint work, Cunningham told me, they prepared an elaborate chart of timings, but even so they did not necessarily bring music and dance together. There might be a climax in the score when not much was happening in the choreography, or the other way round.

Since then, they have gone on to assert a relationship between music and dance which had never been tried before, namely, that they should be simultaneous but entirely independent of each other. Or, as Cunningham puts it, "We start together and hope to finish together, too, but that's all".

Cage has been Cunningham's music director ever since their joint beginnings and has brought many other experimental composers to work with the company. During Cunningham's earlier London seasons, starting in 1964, some spectators were disconcerted by the music, especially as it was often played very loud. Was that still a problem?

"I think perhaps people have grown more used to hearing music played loud since then", Cunningham replied. In any case, the musicians have gone on to other preoccupations than volume. In fact one of the dances being brought this season, *Inlets*, has music "so quiet that people don't always realize the yare listening to it".

Besides working with leading innovative musicians, Cunningham has worked with many notable painters and at different times had Jasper Johns and Robert Rauschenberg as his artistic director. That position is now held by another painter, Mark Lancaster, who has designed most of the repertory coming to London this time.

Another important influence is Charles Atlas, film consultant to the Cunningham Dance Foundation, who will be with the company in London to present a film forum at Riverside. Lately, Cunningham and Atlas have collaborated on a series of video films of various dances by Cunningham which are made available to colleges and other interested parties. Cunningham thinks this has affected the way his choreography has developed since he was last in London.

"I think I have concentrated much more on detail. When you are working with video, that becomes necessary. For instance, when we were filming one dance, it was apparent that something was wrong, and it was simply that one dancer was putting her foot down in a slightly different way from the others. On stage, you might not see that, but with video you did.

"I find it strange to have to look at the dancers through the camera. I am accustomed to sit and watch them at rehearsal, and it seems somehow impolite to get up and go and look through the camera instead. Putting dance on video brings problems. The chief one is to stay on camera when you are dancing. We have had to rearrange dances to make them work. At first we had only simple equipment but now we have been able to work with cameras that can achieve more.

"We shall be showing in London two dances which were made for video, *Locale* and *Fractions*. People have often tried to adapt stage dances for film, and I thought it would be interesting to try to do the opposite. In another of our dances, Mark Lancaster has put a television screen on stage for the decor. The dance is a solo, *Tango*, which is called that because it starts with what to me is a tango, although I am not sure whether anyone else will recognize it as that."

One of Cunningham's qualities as a dancer is his authority, something so commanding that one of his admirers, who had pinned a photograph of him above her office desk, heard one workman saying to another: "I don't know who *he* is, but you can tell he's used to being in charge." Also present in his dancing are a lithe, rangy elegance, unusual muscular control, an astonishing sense of rhythm and much wit, besides an entirely individual ability to surprise you, however well you think you know his work.

Surprise, it seems, is something Cunningham takes in his stride. Soon after our talk, he was due to perform his *Dialogue* with Cage in the United States. He explained that it was not something completely set: "We change it from time to time, sometimes one of us, sometimes the other. I'm not sure what John is going to do this time. He is threatening to make bread. You can never tell." Indeed you cannot, with Cage or Cunningham, which may be what keeps them both perpetually young.

John Percival

Book review

Princess Daisy

By Judith Kranz

(Sidgwick & Jackson, £5.95).

Daughter of a Russian Prince, Stash Valensky, and a beautiful American film star, Daisy should have had a wonderful life. But no: melodrama rules in Judith Kranz's romances. Daddy can't bear the sight of Daisy's mentally retarded twin: Mummy is killed in a car crash: everyone is stinkingly rich. But wait: much of their wealth is in *Rolls Royce shares*. Daisy is raped by her half brother (and he an Old Etonian, too). Daddy dies, half-brother turns nasty and Daisy takes on the enormous fees of the home for the unfortunate twin. There's even a wicked fairy, the Lesbian Vanessa Valerian who *hates* Daisy for her goodness and charm. Daisy is extremely successful working in New York making TV ads, and the plucky little soul battles through, winning a handsome prince, or rather Patrick Shannon, head of a vast enterprise, so rich and famous that he always gets good tables at restaurants. Everyone changes their clothes a lot (clothes lovingly described): everyone jumps into bed a lot (ditto), and this includes two unpleasant seductions, one of a 14-year-old boy by a friend of his mother's, and one of a young woman by an older woman, recounted in disgusting detail. Mrs Kranz knows her American background inside out, but is somewhat shaky on high life in London town. There are even some nice jokes. It's based on three of the really great folk myths, Little Orphan Annie, Cinderella and Beauty and the Beast. If you really need sex with your fairy stories, I warmly recommend Angela Carter's *The Bloody Chamber*.

Philippa Toomey

The Beat
Hammersmith Palais

Richard Williams

The Two-Tone movement, which arrived from the West Midlands last year and provided a refreshingly danceable alternative to the twin post-punk polarities of two-chord thrashing and neo-psychedelic posturing, may soon be due for a winding-down after a period of success which has been remarkably widespread and consistent by any pop standards. When it does disappear (or, more likely, make the traditional metamorphosis into something more eclectic and less immediate), Birmingham's The Beat will surely remain with us.

Unlike any of the other bands using the style, which originated in an updating of the rhythmic, verbal and visual patterns of Jamaican pop music of the early Sixties, The Beat have an enduring asset: their priceless rhythm section, which is as solid and inventive as any, British or American, in recent memory. The bassist, David Steele, and the drummer, Everett Moreton, create an unique and completely infectious amalgamation of rock's rapid 8/8, ska's jerky doubled-up backbeat, and reggae's insistence on giving thudding emphasis to the third beat of each 4/4 bar. Combined with the syncopated, reggae-inflected guitar figures of David Wakeling and Andrew Cox, these overlays make their rhythms whirl and spin, an effect given added poignancy when juxtaposed with the Rolling Stones-like guitar riff on which the popular "Hands Off, She's Mine" is structured, or when applied to a reinvention of Smokey Robinson's "Tears of a Clown".

What's more, they can perform all this just as effectively in concert as on record. On Tuesday night the impression was of restrained power from the instruments matched by the effervescence of the singers, Wakeling and Ranking Roger.

Some of the reviews on this page are reprinted from yesterday's later editions.

Harlem Dance Theatre
Sadler's Wells

John Percival

The show must go on: and on it went at Sadler's Wells on Wednesday after a chapter of adventures which gave the theatre's director, Stephen Remington, occasion for a cliff-hanging curtain speech. First there had been the Eliot Feld Ballet's withdrawal, only a month ago, from the Sadler's Wells American dance season (groans). Then Arthur Mitchell's agreement to bring the Harlem company instead, fitting it in between engagements in Detroit and Australia (cheers).

The company had arrived safely (cheers). Unfortunately their costumes and properties were still in a disabled aircraft at Detroit (groans). However, thanks to splendid work by wardrobe staff from Sadler's Wells and Covent Garden, still being frantically completed backstage, Dance Theatre of Harlem would be able to perform a rearranged programme (prolonged cheers).

They began with *Troy Game*, perhaps because that needed little dressing. Well, the all-male cast are supposed to be athletes or ancient warriors. The work is no great favourite of mine but the Harlem men are funnier and tougher in it than either of the British companies that have tackled it.

Arthur Mitchell's *Holberg Suite*, a set of classic dances to Grieg's score, gave the women a chance to shine. Virginia Johnson's skippingly fast trio with Donald Williams and Mel Tomlinson was a highlight, as was the depth of feeling which Yvonne Hall gave to her adagio with Lowell Smith.

If you like the idea of two men playing pass the parcel to the slow movement of Mahler's fifth symphony, with a young woman as the parcel, then Royston Maldoom's *Adagietto No 5* is the work for you. Stephanie Baxter makes a decorative and flexible parcel.

The closing work was the most substantial and rewarding of the evening, with the company at their best. After a recent performance of Balanchine's *Four Temperaments* by a German company, a European choreographer complained to to me that Balanchine had ignored the music's drama. He should have seen the Harlem company dance it; they would have made him change his mind.

They certainly do not neglect the ballet's formal qualities. In fact, one of the reasons why their performance is so charged with emotion is precisely the fact that they fill every movement with nervous energy, showing the audience the shape and timing of the choreography with as much clarity as they can manage, which is considerable.

Eddie Shellman's solo, Melancholic, especially gained from that approach, letting the dance set its own mood in conjunction with Hindemith's fine music. But the whole cast was a strong one

A Short Sharp Shock
Stratford East

Ned Chaillet

A society that subsidizes its own critics is either a strong society or one dedicated to proving that it is a strong society. Critics who accept subsidy under those conditions hold a more ambiguous role. At worst, they function as court jesters and at best they acknowledge that their criticism is part of a consensus that recognizes the healthy value of criticism. Their voices, being paid for, are hard pressed to pronounce the genuine call of rebellion.

A Short Sharp Shock, by Howard Brenton and Tony Howard, is a richly subsidized piece of satire that has been given unusual credence by the hysterical objections raised to its production. The furore accompanying its first performances at the Theatre Royal, Stratford East, before it opened to the press and a month before it transfers to the Royal Court Theatre, has covered the play with a sacred armour that prevents either praise or condemnation from affecting its reputation. I doubt that I could convince a hundred people who have not seen it that it is essentially a mild and liberal criticism of the Government, but that is what is seems to me.

It has fictional characters, and it follows them from the Tory defeat in 1974 to the present. It brings on other characters, leaders of the Conservative Party who have familiar names, and familiar faces for all that they are men portrayed by women, but they are no less fictional. With a blend of historical facts and broadly sketched invention, such as a self-pronounced working-class renegade, played by Alfred Molina, who tries to become a Conservative only to end up disillusioned, it seems to tell a story but it never moves far from the style of a well-written university review.

While it is no simple lampoon against political figures, having the more estimable aim of showing up the theory of monetarism as a callous, inhuman manipulation of wealth, rather than a social theory good for mankind, it functions as a lampoon. Robert Walker's elaborate production, striking in many of its visual effects, does not forget to *do* service to the debunking of monetarism, but it is more successful in its evocation of the foibles of selected leaders.

One could expect offence from the resurrection of the murdered Airey Neave, well played by Maggie Steed, but a nostalgia for his old-fashioned conservatism is what is conveyed. The harshest mockery is aimed at Sir Keith Joseph, shown with a Milton Friedman mouse bursting from his stomach with the theory of monetarism, but although Darlene Johnson's portrayal is scathing, the script rarely rises to the level of radio's admirable satire *Week Ending*. Its good humoured theatricality is not threatening.

SPORT

Tennis

Up in the air: Adriano Panatta on his way to victory over his rival for Italian supremacy, Corrado Barazzutti, down on the ground.

Point of departure for Mrs Cawley

By Rex Bellamy
Tennis Correspondent

Evonne Cawley is considering retirement. It seems incredible. At 28 she still embodies all the joyously carefree zest of any youngster playing a game. Money, lots of it, has drained none of the laughter from her tennis. But yesterday she reminded us that she first played the Wimbledon Championship 10 years ago and now has a three-year-old daughter. She wants more children and hinted yesterday that in 1981 Mrs Cawley the mother might decisively push the tennis player into the background.

In 10 years Mrs Cawley has been champion once, runner-up three times, and always a winner in the hearts of the public. Yesterday she reached the last 32 of the women's singles for the ninth time with a 6-2, 6-2 win over Jennifer Walker, of Sydney—yes, Sydney, where Mrs Cawley *reached maturity as a woman and* a tennis champion. Mrs Cawley's next opponent will be the 1977 runner-up, Betty Stove, who beat Anne Hobbs, of Cheshire, by 6-0 6-4. It seemed unfair that Miss Stove, five inches taller and almost three stones heavier, should achieve so much power and penetration of shot with little apparent effort—whereas exactly the opposite applied to Miss Hobbs. The difference lay as much in timing as in muscle.

Miss Stove is 35. Like Billie Jean King, 36, she makes Mrs Cawley seem like a newcomer who has yet to learn what a serious business tennis is. Mrs King has played every Wimbledon championship since 1961 and, this time, is seeded in all three events—and is beginning to worry about that because she knows the weather's *disruptive effect on the programme* will give her little chance to rest. But she does weight training every other day, exercises, and pummels away on a stationary bicycle. Inspired by the example of Jack Nicklaus, Mrs King wants to win another big tournament before she quits. Yesterday she *had a 6—8, 7—6 win over Anne* Smith, of Texas, who had two set points—both against service—in the second set.

Kate Brasher, of Petersham, aged 17, had an admirable 3—6, 6—3, 8—6 win—admirable, that is, in terms of concentration and tenacity—over the bigger and *stronger Dana Gilbert, of California*, who studied ballet for four years and is no mug at ice skating either. Those who do not know their Brashers—a clan renowned for their unflinching attitude to adversity—thought the match was all over when Miss Gilbert, 6—3 and 6—2 up, was serving at 15-love *in the next game. But Miss Gilbert* had only one more game point in that set—and in the third set much the same thing happened when she was serving for a 5—2 lead. Miss Brasher had to serve for the match three times. But she is a patient girl: not the most gifted of tennis players, but a winner by nature.

Another British winner over three sets was Lesley Charles, whose opponent, Julie Harrington, looks like a throwback to a Busby Berkeley movie. Linda Geeves won the first set 6—3, was serving for a 3—0 lead in the second, but was eventually worn down by Betty Ann Dent, who is big and beautiful and gives tennis balls a very sharp tap indeed. Mrs Dent's husband won his match, too, which must have encouraged a good deal of complimentary banter over dinner. Jane Stratton, better known for her doubles play, won a tough three set match with Diane Desfor.

In the mens singles Mark Cox, who was once beaten by Ramanathan Krishnan at Queen's Club, had to yield to Krishnan's 19-year-only son, Ramesh. The elder Krishnan reached the semi-final round at Wimbledon in 1960 and 1961. Ramesh is much like him in appearance and in the facile assurance of his strokes. Krishnan won 6—7, 7—5, 7—5, 6—1. Cox came within two points of winning the second set and within three points of winning the third. *But at the age of 36* those crucial points can be awfully hard to win. In the last five games of the match Cox won only 11 points.

Adriano Panatta beat his rival for Italian supremacy, Corrado Barazzutti by 1—6, 6—3, 6—4, 3—6, 6—1. If Barazzutti was still suffering from shock (this was his first appearance in the second round) he showed so sign of it. Indeed Barazzutti seldom shows much sign of anything except a despairing sadness. Panatta himself—in spite of the arresting quality of his tennis and his court presence—tends to look rather sulky during the heat of battle. But one *bizarre incident* raised a smile from both of them. As Barazzutti was flinging his racket at a passing hot—a gesture of resignation—he made contact *in* the nick of time. The ball gently popped over the net. Panatta startled, charged the net, slipped on his back and slid under the net *before regaining a perpendicular* position in Barazzutti's court.

Panatta came through in the end—his first win over Barazzutti since 1974 except for a match in which *Barazzutti had to retire*. Panatta, of course, is better equipped to play on grass. The previous day he had taken three hours and 25 minutes to beat Erik van Dillen. Yesterday's match lasted two hours and a half. Panatta said he was tired—but that it was better to be tired and still i nthe tournament than resting and out of it.

The weather bulletin? Play should have begun two hours early, at noon. But rain deferred the start by 40 minutes. As 3.30 (20 minutes after the gates had been closed on a crowd of 31,073) the public scattered in all directions when suddenly assaulted by a hail storm. Unfortunately a lot of people were wedged, almost immovably, in the gangways between the courts. This prevented the ground staff from getting the covers on as fast as they might hav edone. So we had the unusual specacle o frennis courts prettily coated in hailstones. Inevitably the subsequent programme was restricted.

SUCCESS STORY: If Wimbledon ever fell on hard times all its troubles could be cured by a signature on a contract and a name over the scoreboard—in other words, sponsorship richer perhaps thanperhaps than any in the history of sport. It is not for lack of offers that Wimbledon has no football ground-style advertising around the centre court or has not been renamed after one of the big companies. To take over the most prestigious sporting event in the world would be the *advertising coup of the century*.

It will not happen however. Wimbledon seems to run along very nicely on its gate money, and other sources of income.

Remembrance of times past as match goes swan's way

By Philip Howard

Whenever I come down to Wimbledon to lend Rex Bellamy a hand as second racket, I bring the weather with me like St Swithin's. The first year I did it I had to compose 600 words in a hurry about five minutes of tennis and five hours of rain; which explains my grey hairs. After that almost anything is a sunbathe.

Yesterday the nearest thing to war minus the shooting seemed *to be Nastase v Stockton on court* one. The brilliant but erratic rascal with the volatile concentration against the poker-faced player with no frills.

It is a blot on the hallowed turf that Nastase, one of the most brilliant touch-players in the history of tennis, has never won Wimbledon. He has reached the final twice. But since his heavy defeat by Borg in 1976 his confidence and concentration have not hung together for the whole testing fortnight of Wimbledon.

Seven Seven years ago he was the best player in the world. Today, in lightning flashes, he still *can be. He is 33 and (pace* his bodyguard sitting with the rest of his court in the stand) he sometimes seems to have resigned himself to going over the till early.

Dick Stockton, aged 29, from Dallas, is Nastase's obverse: a quiet, moody man. Beneath the reserve passions burn. He is a *sociology graduate, which may* explain the moodiness. His concentration on his service is as awesome a spectacle in its way as Proust concentrating on finding the *mot juste*. He (Stockton, not Proust) reached the semi-final of Wimbledon in 1974. He has recently had recurrent back trouble and last November had minor surgery on his foot.

The two men last met three times in 1977. Nastase won twice and Stockton once, close matches, with the loser always taking a set. *It promised to be a tight match* of lively contrasts.

They had time to play three games only, all to love. Nastase served two screaming aces, and played a gossamer stop-volley out of the archangel's coaching book. Stockton concentrated on his first service with as much agony as Proust almost onvinced that he has found the wrong word.

Then there was a rustle of macs from the open stand. Thunder and lightning. Umbrellas of all colours sprouted like toadstools. Rain and hail came down in rods of iron. Gutters vomited. Nastase carried on serving for a laugh after everyone else had left the court. Take in the usual Wimbledon wet-weather piece.

After an hour they came out again in perverse bright sunshine. Games went with service, though Nastase was within a point of going 4—2 up. Both men were beginning to display their virtues; Nastase's brilliance and mischief, Stockton's determination and power. Nastase managed to ruffle his opponent by the slipperiness of the grip on his racket, and himself by having an ace called out.

Then some thunder rumbled again. Stockton, scowling like a Proust who has just decided to burn the manuscript, and helped by a sloppy half-volley from Nastase, served a love game to take the first set 6—4.

Lightning flashed. Jupiter Pluvius turned the taps full on. Take in a deal of wet colour-piece. It promises to be a crackling good match today. *But shall I bring my* wet-weather piece, Rex?

Yesterday's Wimbledon results

The following results were received too late for inclusion in our first edition yesterday.

Men's singles

First round

R. Krishnan (India) beat W. Scanlon (US), 3—6, 6—1, 6—4, 6—4.
S. Stewart (US) beat P. Rennert (US), 4—6, 6—7, 6—4, 6—3.
A. Jarrett (GB) beat C. Mayotte (US), 7—5, 6—3, 6—7, 6—4.
P. Portes (France) beat V. Winitsky (US), 6—4, 6—3, 3—6, 6—7, 9—7.
J. Kodes (Czechoslovakia) beat S. Giammalva (US), 7—6, 6—7, 6—3, 6—3.
B. C. Drysdale (SA) beat B. M. Bertram (SA), 6—3, 5—7, 3—6, 7—5, 6—4.
C. Lewis (NZ) beat L. Palin (Finland), 6—4, 5—6, 7—5, 6—7, 8—6.
C. Barazzutti (Italy) beat S. E. Davies (US), 6—7, 6—4, 6—2, 6—3.

Womens singles

First round

Miss R. D. Fairbank (SA) beat Mrs T. A. Lewis (US), 6—4, 6—4.
Miss C. Jolissaint (Switzerland) beat Miss N. S. Yeargin (US), 6—2, 6—4.
Mrs B. Brasher (US) beat Miss R. Tomanova (Czechoslovakia), [illegible]
Miss N. U. Bohm (Sweden) beat Miss I. Budarova (Czechoslovakia), [illegible]
Miss D. Desfor (US) beat Miss S. L. Collins (US), [illegible]
Miss P. A. Teeguarden (US) beat Miss N. Carillo (US), [illegible]
Miss K. D. Latham (US) beat Miss G. L. Coles (GB), [illegible]
Miss S. Hanika (Germany) beat Miss J. M. Durie (GB), [illegible]
Miss L. J. Charles (GB) level with Miss J. Harrington (US), [illegible] (unfinished).
Miss P. H. Shriver (US) level with H. Eisterlehner (Germany), [illegible] (unfinished).
Miss L. K. Ebbott (US) beat [illegible] Evans (Australia), [illegible]
Miss A. E. Smith (US) beat Miss C. Drury (US), [illegible]

Men's doubles

First round

P. FLEMING and J. McENROE (US) beat D. Collings and W. Hampson (Australia), 7—6, 6—3, 7—5.
R. C. LUTZ and S. R. SMITH (US) beat I. El-Shafei (Egypt) and J. M. P. [illegible] (Australia), [illegible]
W. FIBAK (Poland) and T. OKKER (Netherlands) beat O. K. Davidson and J. Newcombe (Australia), 4—6, 6—3, 7—6, 6—4, [illegible]
S. Drewett and W. Maher (Australia) level with E. J. van Dillen and V. van Patten (US), 7—6, 6—1, 6—7, 4—6 (unfinished).
A. AMRITRAJ and V. AMRITRAJ (India) beat V. L. Ebe and E. W. Ewert (Australia), 6—4, 6—4, 7—6.
S. Ball and R. Case (Australia) lead T. Cain (US) and R. Ismail (Zimbabwe), 6—4, 6—4, 2—2 unfinished.

Men's singles

Second round

B. Taroczy (Hungary) beat T. E. Waltke (US), 6—3, 6—3, 6—2.
J. C. Kriek (SA) beat J. R. Austin (US), 6—4, 6—3, 6—1.
R. Krishnan (India) beat M. Cox (GB), 6—7, 7—5, 7—5, 6—1.
O. Parun (NZ) beat P. Portes (France), 7—5, 6—3, 6—4.
P. C. DENT (Australia) beat B. M. Mitton (SA), 7—5, 6—3, 6—3.
J. S. CONNORS (US) beat S. E. Stewart (US), 6—0, 6—2, 6—1.
P. McNamee (Australia) beat R. Van't Hof (US), 6—1, 6—1, 6—3.
A. Panatta (Italy) beat C. Barazzutti (Italy), 1—6, 6—3, 6—4, 3—6, 6—1.

Women's singles

First round

MISS G. R. STEVENS (SA) beat Miss P. G. Smith (US), 6—2, 6—2.
Miss W. E. White (US) beat Miss P. J. Whytcross (Australia), 6—2, 6—3.
MRS R. CAWLEY (Australia) beat Miss J. Walker (Australia), 6—2, 6—2.
Mrs P. C. Dent (US) beat Miss L. Geeves (GB), 3—6, 6—3, 6—2.
Miss K. J. Brasher (GB) beat Miss D. F. Gilbert (US), 3—6, 6—3, 8—6.

Second Round

MRS L. W. KING (US) beat Miss A. E. Smith (US), 6—8, 7—6.
Miss L. E. Morse (US) beat Miss B. Teacher (US), 6—2, 6—1.
Miss B. F. Stove (Netherlands) beat Miss A. E. Hobbs (GB), 6—0, 6—4.
Miss R. D. Fairbank (SA) beat Miss A. Buchanan (US), 6—1, 6—0.
Miss N. U. Bohm (Sweden) beat Miss D. C. Morrison (US), 4—6, 6—2, 6—3.
Miss J. Stratton (US) beat Miss D. Desfor (US), 7—5, 4—6, 7—5.

Men's doubles

First Round

R. J. FRAWLEY and G. MASTERS (Australia) beat J. [illegible] (Canada) and S. S. Meer (Pakistan), 6—2, 6—3, 7—6.

Hail and farewell: court one under the umbrella.

Photographs by Brian Harris and Harry

Rugby Union

South Africans expect a record profit of £2.5m

From Richard Streeton
Port Elizabeth, June 26

A record profit of £2.5m, in round figures, can now be anticipated by the South African authorities from the British Isles tour. All the 65,000 tickets have now been sold for the third international here on Saturday and a sell-out is already assured for the slightly larger Loftus Versfeld stadium, Pretoria, on July 12 for the fourth and final game in the series. It can be calculated that by the end of the tour the 18 matches will have attracted about 600,000 spectators in all, bringing a financial return liable to turn the four home unions committee the colour of *Springbok jerseys* in envy.

The South African Rugby Board (SARB) pay all the touring team's expenses, which are estimated at £140,000, and retain the rest of the profit. Taking the average price of a ticket for the Lions games as six rand, roughly £3.30, the rest of the profit comes from the peripheral revenue from television, catering and advertising contracts. The South African board themselves take 25 per cent of the overall profit, including half the gate receipts from the four internationals. This will give them around £230,000, most of which is usually ploughed back into the game. Last season the board showed a loss, which is a reminder of how crucial overseas visitors are to South Africa for reasons other than playing ones.

Each of the host local unions to the Lions receive a proportion of the profits from their fixture. Eastern Province here, who staged the Lion's opening game, as well as this weekend's international, should be about £220,000 richer from the two matches. The most prosperous union are Northern Transvaal: three capacity gates this season—for the South American game against the South African Gazelles (under 24 XV) together with the two visits by the Lions—means a profit of £400,000 without taking into account the local Currie Cup matches. No wonder plans are going ahead to complete Loftus Versfeld without further delay.

The Lions had a public two-hour workout at the Boet Erasmus stadium here this morning, with hard scrummaging once again a feature, and the Springboks trained as usual in secret later on. The temperature was around 70 degrees fahrenheit as the Lions practised but it clouded over later and there are rumours that a cold, wet depression will reach here from the Cape by Saturday. This has been interpreted as favouring the Lions though they may have forgotten what it is like to play in the wet. On this tour the team have only seen rain briefly.

Another talking point has been the arrival of the diminutive Jean-Pierre Bonnet, the second French referee in this series who now has charge of the last two matches. M Bonnet has a reputation for two things: a willingness to play the advantage law to allow the game to flow, and for not shirking, if it is necessary, to send anyone off for violence. So far this has been a remarkably clean series and it is the former trait that could enhance Saturday's match. South Africa have already played a far more open game than anticipated, and there are plenty of people who believe the Lions's best chance of winning would come if they threw the ball around.

Scots try to bridge that gap

By Iain Mackenzie

The Scottish Rugby Union are about to launch a structure for youth rugby in Scotland in an attempt to bridge the gap between schoolboys and adults. District leagues for 16 to 18 year-olds are proposed for next season in the Borders, Edinburgh, Glasgow and the Midlands. George Thomson, convenor of the *SRU's coaching* and youth development committee, feels that too many promising players have been leaving school and leaving rugby for good.

Scotland will also concentrate on three aspects of forward play and two among the backs in an attempt to improve first 15 club standards and results at international level. This morning courses for club coaches, referees and promising players under 21 begin at Heriot Watt University, Edinburgh with practical training periods at Murrayfield.

Mr Thomson said last night that there were five objectives. The union hopes to reestablish scrummaging power, to promote the lineout as a source of quality possession and to effect dynamic rucking when the ball is stopped. Backs are to *concentrate* on handling skills, and awareness of space and support rather than on set moves and dogma.

More than 120 coaches are attending, together with 36 referees and 36 young players. Representatives from the Rugby Football Union, the Irish Rugby *Union and the Canadian, Portuguese* and Army unions are also in attendance.

The SRU yesterday announced their list of fixtures for 1980-81.

INTERNATIONALS: France v Scotland (Jan 17, Paris); Scotland v Wales (Feb 7, Murrayfield); England v Scotland (Feb 21, Twickenham); Scotland v Ireland (March 21, Murrayfield).

DISTRICT CHAMPIONSHIP: Edinburgh v Glasgow (Dec 6, Edinburgh); North and Midlands v South (Dec 6, Aberdeen); North and Midlands v Edinburgh (Dec 13, Midlands); Edinburgh v South (Dec 20, Edinburgh); Glasgow v North and Midlands (Dec 20, Hughenden); South v Glasgow (Dec 27, Borders).

OTHER MATCHES: England and Wales v Scotland and Ireland (Nov 29, Cardiff); South v Anglo-Scots (Dec 13, Borders); Anglo-Scots v Edinburgh (Dec 27, London); International Trial (Jan 3, Murrayfield); Scotland B v France B (March 7, [illegible]); Scottish Under 21 v Scottish Universities (March 2, place not yet fixed); Scottish Select v British Post Office (March 24, Edinburgh).

Yachting

Consistency is cast away by most leaders

By John Nicholls

The old excuse of unhelpful weather conditions, could justifiably be used by many of the crews who did badly in the J24 class national championship races at Brighton yesterday. The wind, which was nominally south westerly, came and went at awkward times as well as changing in direction as the thunderstorms rolled overhead. Two races on Olympic courses were held and both suffered from the unhelpful elements.

However, in spite of the widespread uncertainty, some of the races maintained their form. Few were consistent in both races and the points table will have a new look when it is brought up to date. The morning race was won by Jack Boot (Chris Hornsey) and the afternoon one by J. Walker (David Barrow) when Jack Boot was sixth, Chap Chap (Geoffrey Watchorn) was second in the morning but unplaced later, while *Midnight Express (David Howlett)* was well down the fleet in the earlier race and fourth in the afternoon.

This earlier race got off to a good start, but during the first reaching leg, the wind first died and then filled in again, fitfully at first and then from a new direction. Boats moved off at random, the windward mark was repositioned and the race was shortened by one round, ending after the next windward leg. Chris Hornsey in Jack Boot sailed away from everyone else and won by the wide margin of 11 minutes.

There was a long delay before starting the afternoon race, waiting for the breeze to settle and the crews were still afloat well into the evening. The series, which is sponsored by the Brighton Marina Company, ends today with a final race on an inshore course. Many of the crews will be hoping for better weather, as they have alrdeay sailed what they hope will be their discarded race in the scoring system. Some will wish they could discard two.

FOURTH RACE: 1, Jack Boot (C. Hornsey); 2, Chap Chap (G. Watchorn); 3, Buccaneer (R. Trafford); 4, Out of the Gloom (M. Grant); 5, Jai Soif (T. Wilson); 6, Jo-Jo Anne (P. Drake). Fifth race: 1, J. Walker (D. Barrow); 2, Dream (K. Sherwood); 3, Jem (P. Havill); 4, Midnight Express (D. Howlett); 5, Mother (M. Rolling); 6, Jack Boot (C. Hornsey).

Wind of change: Ted Turner and the America's Cup defender Courageous broke a six-race losing run in preliminary cup trials by beating Clipper three times on Rhodes Island Sound.

Turner improved his record in the trials to 4—6 with his three victories.

KIEL: Soling, fifth race: 1, R. Haines (US); 2, E. Hirt (WG); 3, P. Kampmann (Denmark). British placing: 7, T. Wade. Overall: 1, Haines, 23 pts; 2, Hirt, 21; 3, V. Brun (Brazil), 24.5. Tornado, fifth race: 1, G. Marstrom and J. Ragnarsson (Sweden); 2, J. Spengler and J. Schmall (WG); 3, H. Rousset and J. Kent (US). British placing: R. R. White and K. Gray. Overall: 1, P. Due and P. Kjaergaard (Denmark), 17.7 pts; 2, K. Notary and D. Gambill (US), 21.7; 3, Spengler and Schmall, 24; 4, White and Gray, 31.7.

Motor racing

Chief with French Grand Prix ace up his sleeve

The troubled world of grand prix racing moves this weekend to the Paul Ricard circuit midway between Marseilles and Toulon, where official practice is due to begin this morning for the fifty-eighth French Grand Prix.

It looked as though the race would go ahead without most of the regular teams as the seemingly interminable battle between the *Fédération Internationale du* Sport Automobile and the Formula One Constructors' Association continued to be waged under the threat of another FOCA boycott.

During the past week the leading protagonists have been rushing between meetings in Maranello, Ricard, Paris and London, and although *the long-term solution* to the FISA-FOCA conflict has yet to be found, such differences as remain will not prevent a full turnout of FOCA teams today.

Jean-Marie Balestre, the FISA president, had been holding an ace up his sleeve in order to preserve his country's main race. Had FOCA teams failed to appear, the Ferrari, Renault, Alfa Romeo and Osella teams, whose presence had been assured, would have been joined by invited formula two and British national formula one cars for a multiformula French Grand Prix which would still have counted for world championship points.

The recent Spanish Grand Prix has been confirmed by the FIA as illegal, so any points won in that event must be discarded. This is a big blow to Alan Jones, whose victory at Jarama was thought to have taken him into a six-point lead at the top of the table.

Instead, he is still in third place, with 19 points, three fewer than the championship leader, Nelson Piquet, and two behind René Arnoux. Didier Pironi holds fourth place with 17, followed by Carlos Reutemann with 15 and Jacques Laffite with 12. In the constructors' contest Williams-Ford lead with 34 points, followed by Ligier-Ford with 29, Brabham-Ford with 22 and Renault with 21.

While the politicians have wrangled, teams have been testing during the past three weeks; and it would seem that the competitiveness of Ligier, who are to enjoy Talbot backing next season, has been improved further.

The powerful Renaults should also have a *significant* advantage this weekend on a circuit with a long straight, and it will take an exceptional effort from their rivals to prevent one or other of these French teams from scoring a home win on Sunday, the Saudia and Leyland-sponsored Williams team having, perhaps, the best chance of providing it.

Polo

Stowell Park hang on

By John Watson

Stowell Park started with *half* a goal advantage on handicap when they met and defeated 21—goal Minas Cue on Cirencester Park's Peddington ground in the first semi-final of the Charles Heidsieck Warwickshire Cup yesterday. The match, which was being preceded by a torrential rainstorm, was set back one and a quarter hours to let the puddles drain away. But neither that nor the severe cutting up of the pitch prevented a spectacularly fast match, with excellently mounted teams on both sides; Leon Walgar of Argentina providing Minas Cue's ponies, and Lord Vestey and his brother, Mark, those of Stowell Park.

Jorge Ocampo, who has taken the place of Hector Barrantes for Stowell in this tournament, has recently had his handicap raised from three to *four*, but he was playing above that yesterday. Stowell, after losing their handicap lead in the first chukka, resumed it in the second and thereafter neevr lost it. But it was breathtakingly close in the fourth chukka, when Dicky Cerandas scored twice from *penalty shots, bringing the tally* to 4½—4. Despite some spirited attacks by Juaregui and Brown, however, that was how the scoreboard still looked at the end.

The second semi-final, Les Diables against Cowdray Park, will be played off at Cirencester this afternoon.

STOWELL PARK: 1, M. Vestey (3); 2, E. Moore (10); 3, J. Ocampo (4); back, Lord Vestey (5).

MINAS CUE: 1, M. Brown (5); 2, R. Carnadus (7); 3, C. Juaregui (8); back, A. Harper (3).

Cycling

FRANKFURT: Time trial (5 miles): leading finishers: 1, B. Hinault (France, Renault), 9min 13.99sec; 2, G. Knetemann (Netherlands, Raleigh), 5sec behind; 3, B. Oosterbosch (Netherlands, Raleigh), 17; 4, Ludo Peeters (Belgium, Ijsboerke), 21; 5, D. Thurau (W Germany, Puch), 22; 6, Hennie Kuiper (Netherlands, Peugeot), 33.

ROSCOMMON: Irish Health race: 6th stage (105 miles): 1, J. Mangan (Kerry), 5hr 10min; 2, M. Kelly (Dublin Falcons); 3, D. Folland (Wales). Overall: 1, B. Kerr (Ireland), 20hr 16min 39sec; 2, J. Peterson (W Germany), 20:47:32; 3, M. Nulty (Neath), 20:49:53.

Date for Buchanan

Ken Buchanan, the former world light-weight boxing champion will have his first bout in Scotland for seven years on July 16. He will be featured in the main supporting bout to the Eddie Burke v Roy Gumbs final eliminator for the British middleweight title, at Dunfermline, Fife, on July 16. Buchanan's last appearance in Scotland was at Glasgow in 1973 when he defeated the present world champion Jim Watts.

Football

Wednesday and United in Sheffield clash

Sheffield's two clubs, Wednesday and United, were drawn together when the draw for the first round of the Football League Cup was made in Harrogate yesterday. Last season they set a third division attendance record when they attracted 49,309 to Hillsborough on Boxing Day. Even though Wednesday won 4—0, more than 45,000 turned up at Bramall Lane on Easter Monday to watch them draw 1—1.

United, who concede home advantage to Wednesday for the first leg on August 9, will be anxious to prove that they, not their rivals, were worthy of promotion to the second division at the end of last season. United's manager, Harry Haslam, said: "It's not very often you get a cup final in the first week of the season."

Wolverhampton Wanderers, the holders, and the other leading first and second division clubs do not enter the competition until the second round. Last year's beaten semi-finalists, Swindon Town, have a trip to Bournemouth in the first round.

Exeter City, who beat Birmingham City before losing to Liverpool at Anfield in the fourth round, have an interesting battle with Bristol Rovers. Grimsby Town, who knocked out Everton and Notts County on their way to a quarter-final defeat by Wolves, are again drawn against County.

The draw is:

Wrexham v Burnley; Chester v Stockport County; Port Vale v Tranmere Rovers; Wigan Athletic v Crewe Alexandra; Carlisle United v Rochdale; Blackburn Rovers v Huddersfield Town.

Bury v Halifax Town; Walsall v Blackpool; Grimsby Town v Notts County; Chesterfield v Darlington; York City v Hartlepool; Lincoln City v Hull City.

Scunthorpe United v Barnsley; Sheffield Wednesday v Sheffield United; Doncaster Rovers v Mansfield Town; Rotherham United v Bradford; Watford v Millwall; Peterborough United v Fulham.

Northampton Town v Reading; Southend United v Oxford United; Brentford v Charlton Athletic; Aldershot v Wimbledon; Colchester United v Gillingham.

Torquay United v Cardiff City; Bournemouth v Swindon Town; Plymouth Argyle v Portsmouth; Exeter City v Bristol Rovers; Hereford United v Newport County.

First leg August 9, second leg week beginning August 11.

Ticket proposal: English clubs must have total control of ticket sales if crowd misbehaviour in Europe is to be curbed. This is the conclusion reached by 10 of the Football League's most experienced European competitors after a meeting to discuss ways of avoiding the Turin-style trouble which affected England's recent European championship games.

John Camkin, chief executive of the Secretaries, Managers and Coaches Association, said: "Trouble can start when fans make their own way overseas and buy tickets on the day of the match. That way there is absolutely no control over who gets the tickets."

The association agreed to put forward their proposal to the league clubs as a working paper.

Golf

Chance for Britons to extend experience

By Peter Ryde

The thirteenth meeting between the home countries and the Continent of Europe brings more countries together than usual when the two teams play the first two series of matches for the St Andrews Trophy at Royal St George's today. All the four home countries are represented, Wales by the reigning British champion, Duncan Evans, who leads the way in the 18 holes singles this afternoon. The continental team consists of players from seven countries including for the first time one from Finland, where the game is restricted to a few courses and *to even fewer months each year*.

The match also provides a chance for some new British amateurs on the international scene to extend their experience. In no sense is this a "second eleven" although the teams consist of that number but the British champion himself for example, and the two Irishmen, *Arthur Pierse* and Ronan Rafferty both have limited experience on that level.

A four man Eisenhower Trophy team has still to be chosen and next year there will be no lack of opportunity for a place in the Walker Cup team. The continentals won only once since the match was started in 1956, narrowly in Italy in 1974. They are much less familiar with links golf than the British team. But one point in their favour is that they get far more competitive experience than was possible a few years ago.

Francois Illouz, the holder of the Spanish amateur title, is a less familiar name to these tournaments than his two other French compatriots. Tim Planchin, former winner of the French amateur championship is now a student at Wake Forest College in North Carolina, whose patron saint is Arnold Palmer. The third Frenchman is Alexis Godillot, who has been in this match for a decade or more and is one of the strongest competitors in their side.

It was on this course, looking less green than it does today, that Roger Chapman won the English championship last year. He is partnered by Pierse, an attractive looking swinger of the club from Tipperary. Their opponents in the foursomes are the Italian pair, one of whom, Durante, won an important youth tournament in [illegible] last winter. Another example of the horizons of continental [illegible] have been widened recently.

Timo Sipponen, the [illegible] stands down today. In the [illegible] team, which *contains five* [illegible] Gordon Brand a better [illegible] player than match player [illegible] in to the singles in place of [illegible] Hay.

FOURSOMES: P. McEvoy (England) and R. Rafferty (Ireland) v V. Paget (Germany) and T. Rasmussen (Denmark); A. Brodie (Scotland) and D. Evans (Wales) v J. Rube (Sweden) and B. Svedin (Sweden); K. Macintosh (Scotland) and P. Downes (England) v F. Illouz (France) and E. de la Riva (Spain); R. Chapman (England) and A. Pierse (Ireland) v A. Canessa (Italy) and M. Durante (Italy); B. Howard (Scotland) and [illegible] Hay (Scotland) v A. Godillot (France) and T. Planchin (France).

SINGLES: Evans v Illouz; McEvoy v Rasmussen; Brodie v Canessa; Brand v Paget; Rafferty v Svedin; Macintosh v Planchin; Downes v de la Riva; Chapman v Durante; Pierse v Godillot; Howard v Rube.

O'Connor out of seniors

By Lewine Mair

Christy O'Connor, the 54-year-old holder, has been forced to *withdraw from the P.G.A. seniors* golf championship which starts today over the courses of Gleneagles Hotel. O'Connor, who has won the title three times in four starts, was smitten by a virus towards the end of his week at the American version of the seniors at Atlantic City and is now confined to bed at his Dublin home.

In contrast to many previous years, there is no automatic entry into the Open for the winner of this week's championship, nor is there to be a title fight between our senior champion and that of the United States—a clash which was never more entertaining than in 1967, when John Panton defeated Sam Snead in front of the milling Sunday crowds of Wallasey. However, a firm of Scottish public relations consultants has, by dint of multi-sponsorship, raised £10,000 in prize money for this year's event, with £2,000 going to the winner.

After today's round over the Queen's course, competitors will move to the King's for the remaining 54 holes. Only the leading 40 will qualify for the final round on Sunday. Last season the Gleneagles greens never really recovered from the frost and snow which closed the courses for some four months. Now Ian Marchbank, the Gleneagles Hotel professional, feels that the putting surfaces are returning to their considerable best, while Bobby Locke, who was out practising yesterday, deemed the condition of the King's and the Queen's "magnificent".

Though O'Connor, with his lovely, easy rhythm, represents a sad loss to the tournament, there are many other names from the past to whet the interest of intending spectators, who have had little in the way of professional *golf in these parts* since the last of the Double Diamond International series in 1977. John Panton and Eric Brown, who between them monopolized the Scottish professional championship to such an extent that they won the title on no few than [illegible] occasions, have a following of their own in Scotland, while Ken Bousfield is fondly remembered north of the border, not least for his win at Longniddry in the seniors of 1972.

SPO:t

Tenni

in-driven crowds uld head for Malvern hills today

By John Woodcock
Cricket Correspondent

WORCESTER: Worcestershire have scored 55 for one off 15 overs against Essex.

"It'll depend on the Malverns again", they said at Worcester yesterday, by which they meant the Malvern Hills and whether or not they could divert the advancing storms. In the event, and hard as they tried, they could not, with the result that only four overs were bowled in the Benson and Hedges semi-final between Worcestershire and Essex.

With the tie having to be finished today and a total of 15 overs being the only progress made so far, contingency plans were being considered last night in case the county ground should be unfit again. These involved the possibility of trying to play an abbreviated match either at nearby King's School, Worcester, where conditions are said to be better than at the County ground, or at Malvern College. The forecast does, in fact, give some hope of a better day.

What both sides are determined to avoid, if they can, is deciding which of them plays Northamptonshire in the final at Lord's on July 19 by the spin of a coin. The rules are clear enough:

If a match remains unfinished after three days (four days if Sunday play is scheduled), the winner will be the side which has scored the faster in runs per over throughout the innings, provided that at least 20 overs have been bowled at the side batting second. If the scoring rate is the same the side losing the lesser number of wickets in the first 20 overs of each innings will be the winner. If, however, at any time on the third day (fourth day if Sunday play is scheduled), the umpires are satisfied that there is insufficient time remaining to achieve a definite result or, where applicable, for the team batting second to complete its 55 overs, they shall order a new match to be started, allowing an equal number of overs per side (minimum 10 overs each side) bearing in mind the time remaining for play until 7.30 pm.

In the event of no result being obtained within this rule in a knockout match, and the captains are unable to reach agreement on an alternative method of achieving a result to their match it shall be decided by the toss of a coin.

What the captains might see as "an alternative method of achieving a result", other than by tossing a coin, is not said. A catching competition? A cricket quiz? A swimming relay across the outfield? A game of darts in the bar or cards in the dressing room? A PT competition? A penalty shoot-off

Yesterday's four overs were bowled before the heaviest of the storms, between 4.30 and 4.45, and brought another good stroke or two from Neale. In the morning the players had watched Middlesex being beaten at Lord's which was the result both sides wanted. Whether it is Worcestershire or Essex who emerge as winners today, and by whatever method, they both prefer their chance of beating Northamptonshire in the final to beating Middlesex.

WORCESTERSHIRE

G. M. Turner, c McEwan, b Lever	4
J. A. Ormrod, not out	13
P. A. Neale, not out	29
Extras (l-b 3, w 5)	9
Total (1 wkt, 15 overs)	55

E. J. O. Hemsley, Younis Ahmed, †D. J. Humphries, J. D. Inchmore, *H. Gifford, H. L. Alleyne, A. P. Pridgeon and J. Cumbes to bat.

FALL OF WICKETS: 1—4.

ESSEX: G. A. Gooch, M. H. Denness, K. S. McEwan, *K. W. R. Fletcher, B. R. Hardie, K. R. Pont, N. Phillip, R. E. East, N. Smith, J. K. Lever and D. L. Acfield.

Umpires: D. G. L. Evans and K. E. Palmer.

Other matches

HARROGATE: Tilcon Trophy: Yorkshire, 176 for 4 (42 overs; innings closed (C. W. J. Athey 94); Glamorgan, 146 for no wkt (30.5 overs, reaching 145 from 34 overs (J. A. Hopkins 76 not out, A. Jones 61 not out). Glamorgan won by 10 wickets.

PORTSMOUTH: Oxford University, for 1 dec (R. Marsden 43); Combined Services, 168 for 1 (C. R. ... 81 not out, R. de Cairies 66).

GUILDFORD: Cambridge University, ... for 8 dec. (A. N. Mubarak 74, P. C. Mills 72) and 98 for no wkt. Derrick Robins XI 323 for 4 dec (C. L. Smith 131, G. D. Mendis 88, T. E. Jesty 55 not out).

FINEDON: Lancashire II, 306 for 8 dec (G. E. Trim 65, D. Beckett 87, G. Varsh 74); Northamptonshire II, 135 for 6.

DORRIDGE: Middlesex II 219 (K. P. Tomlins 57; S. P. Perryman 5 for 47); Warwickshire II, 117 for 8 (S. Hughes 5 for 32).

FOLKESTONE: Kent II, 231 for 6 (D. Aslett 76, S. Hinks 80) v Hampshire II.

Gatting goes and so do Middlesex's hopes

By Alan Gibson

LORDS: Northamptonshire beat Middlesex by 11 runs.

So Middlesex have lost their first match (of any kind) this season: At the start, they needed 79 runs to overtake Northamptonshire's score of 206 in this Benson and Hedges Cup semi-final. They had 14 overs to get them, with five wickets in hand, and Gatting 59 not out. As long as he was there, they had a good chance; while he was partnered by van der Bijl, it seemed a very good one. But Sarfraz, in his closing spell, decided the match.

He had nearly bowled Gatting much earlier in his innings, on Wednesday evening, so it did not come quite as a surprise when he actually did so. Gatting had scored 91 and confirmed his quality. Van der Bijl hit a couple of sixes. Middlesex needed 42 in seven overs, 27 in five. Northampshire had begun with their spinners, Willey and Williams, but though they only conceded four runs in their first two overs, 29 came in the next three. Then Sarfraz returned, and the score went in seven balls from 185 for six to 193 for nine.

Twelve were needed in the last nine balls, with all the likely batsmen gone, when Selvey was last out, a fine catch off a swirling high hit by Sarfraz, who had taken five wickets for 21. The Gold Award went to Williams, who had sustained the Northamptonshire innings and bowled usefully.

NORTHAMPTONSHIRE: 206 for 8 (R. G. Williams 73 not out, W. Larkins 63).

MIDDLESEX

*J. M. Brearley, l-b-w, b Griffiths	0
W. N. Slack, st Sharp, b Williams	42
C. T. Radley, c Sharp, b Sarfraz	13
G. D. Barlow, l-b-w, b Sarfraz	0
M. W. Gatting, b Sarfraz	91
R. O. Butcher, c Watts, b Williams	6
V. A. P. van der Bijl, c Yardley, b Willey	18
†I. J. Gould, b Sarfraz	8
J. E. Emburey, c Sharp, b Sarfraz	1
M. W. W. Selvey, c Sarfraz, b Griffiths	2
W. W. Daniel, not out	0
Extras (l-b 12, w 1, n-b 1)	14
Total (53.4 overs)	195

FALL OF WICKETS: 1—4, 2—16, 3—16, 4—114, 5—128, 6—165, 7—185, 8—191, 9—195, 10—195.

BOWLING: Sarfraz, 11—1—21—5; Griffiths, 10.4—2—25—2; Watts, 7—1—30—0; T. M. Lamb, 11—1—31—0; Willey, 9—0—50—1; Williams, 5—0—24—2.

Umpires: W. L. Budd and A. G. T. Whitehead.

Jackman eats heart out of Lancashire

By Keith Macklin

MANCHESTER: Surrey, with nine first innings wickets in hand, are 121 runs behind Lancashire.

Yesterday play was due to start at 11 am, but the black cloud which has stood over Old Trafford as immovable as the policeman outside No 10, emptied itself, as it has done all week, on receipt of the announcement. Messrs Van Geloven and Julian, who must now be conducting inspections in their sleep, promised play at 1.30 if the weather held. Another shower and this was put back to 1.50.

Kennedy, seeking 61 runs for his 1,000 for the season, square cut Jackman to the boundary, the sun came out without the aid of cucumbers, and we had a game at last. Kennedy was not to reach his target, falling leg before to Jackman for six when the score was 21.

Lloyd played on to Knight at 43, but Cockbain underlined his splendid potential by driving Clarke straight for four with the sweetest of timing and then hooking the same bowler to the midwicket boundary. He lost Hayes to a catch at the wicket at 98, and then Abrahams was caught at slip for nought as the enthusiastic Jackman added to his considerable haul this season.

Simmons moved up the batting order, betokening aggressive intent by Lancashire, but the rampant Jackman whipped one through to remove Cockbain for 41, and at this point the country's leading wicket taker had gathered four for 39 in 13 overs and had eaten the heart out of the Lancashire innings.

Jackman: a "home" best.

Tea was taken at 116 for 5 and afterwards Jackman continued his depredations. He removed Hughes, caught at slip, and then bowled the South African, Radford who was making his first appearance for his county. Five wickets had fallen for 21 runs following the 55 partnership between Cockbain and Hayes and Lancashire had scored only 20 runs from 17 overs.

Knight, who bowled with amazing economy, two for 13, off 19 overs, dismissed Scott. Then Jackman achieved his best ever figures in Britain of eight for 58 as Malone was caught behind. Jackman's best analysis of his career was eight for 40 for Rhodesia against Natal.

Surrey had 35 minutes at the end of the day and in mellow sunshine they lost Butcher hooking and skying against Hogg.

LANCASHIRE: First Innings

A. Kennedy, l-b-w, b Jackman	6
D. Lloyd, b Knight	19
J. Cockbain, l-b-w, b Jackman	41
*F. C. Hayes, c Richards, b Jackman	35
J. Abrahams, c Roope, b Jackman	0
J. Simmons, c Roope, b Jackman	23
D. P. Hughes, c Knight, b Jackman	4
N. Radford, b Jackman	0
†C. Scott, b Knight	5
M. F. Malone, c Richards, b Jackman	0
W. Hogg, not out	0
Extras (b 6, l-b 6, n-b 1)	13
Total (59.4 overs)	146

FALL OF WICKETS: 1—21, 2—43, 3—98, 4—106, 5—107, 6—110, 7—119, 8—142, 9—146, 10—146.

BOWLING: Clarke, 9—0—40—0; Jackman, 25.4—7—58—8; Knight, 19—12—13—2; Pocock, 6—1—20—0.

SURREY: First Innings

A. R. Butcher, c Lloyd, b Hogg	2
G. S. Clinton, not out	9
*R. D. V. Knight, not out	11
Extras (n-b 3)	3
Total (1 wkt, 9 overs)	25

G. R. J. Roope, D. M. Smith, D. H. Pauline, Intikhab Alam, †C. J. Richards, R. D. Jackman, S. T. Clarke and P. I. Pocock to bat.

FALL OF WICKETS: 1—2.

Bonus points: Lancashire 0, Surrey 4.

Umpires: J. Van Geloven and R. Julian.

Irish crack under assault by Bacchus

The West Indians beat Ireland by 73 runs under reduced over regulations in their second one-day match at Dublin yesterday. With rain causing severe disruption—106 minutes in all were lost—the match was reduced to 30 overs after the touring side had scored 284 for 7 off 55 overs, Bacchus contributing a whirlwind 163.

The reduction of overs left Ireland chasing 155 and at the end they were 82 for 1.

WEST INDIANS

C. G. Greenidge, run out	10
S. F. A. Bacchus, c O'Brien b Corlett	163
D. A. Murray, c O'Brien, b Halliday	37
A. I. Kallicharran, b Anderson	15
C. L. King, c O'Brien, b Monteith	7
M. D. Marshall, b Corlett	10
D. R. Parry, not out	20
A. M. E. Roberts, b Corlett	16
J. Garner, not out	10
Extras (l-b 6)	6
Total (7 wkts, 55 overs)	284

†D. L. Murray and M. A. Holding did not bat.

FALL OF WICKETS: 1—17, 2—93, 3—129, 4—154, 5—179, 6—246, 7—264.

BOWLING: Corlett, 11—7—67—3; Elder, 5—0—34—0; Monteith, 11—0—68—1; Halliday, 11—1—39—1; Anderson, 11—1—37—1; Johnson, 6—0—36—0.

IRELAND

M. S. Reith, b Kallicharran	20
J. F. Short, not out	31
B. A. O'Brien, not out	21
Extras (b 5, l-b 2, w 3)	10
Total (1 wkt, 30 overs)	82

I. J. Anderson, D. W. Harrison, R. I. Johnston, *J. D. Monteith, †G. F. Murphy, S. C. Corlett, M. Halliday and J. W. Elder did not bat.

FALL OF WICKETS: 1—48.

BOWLING: Roberts, 4—1—6—0; Holding, 6—3—7—0; Marshall, 3—0—13—0; King, 4—1—4—0; Parry, 5—2—9—0; Kallicharran, 5—0—23—1; Bacchus, 3—0—10—0.

Umpires: N. Fitzsimons and E. Parsons.

Today's cricket

TILCON TROPHY, final (11.0, 50 overs)
HARROGATE: Kent v Glamorgan.
BENSON AND HEDGES CUP, semi-final round (11.0-7.30).
WORCESTER: Worcestershire v Essex.
COUNTY CHAMPIONSHIP (11.0-6.30 or 6.0).
MANCHESTER: Lancashire v Surrey.
SECOND XI COMPETITION:
FOLKESTONE: Kent II v Hampshire II.
HINCKLEY: Leicestershire II v Worcestershire II.
FINEDON: Northamptonshire II v Lancashire II.
WORKSOP: Nottinghamshire II v Worcestershire II.
BRISTOL: Somerset II v Glamorgan II.
HORSHAM: Sussex II v Surrey II.
DORRIDGE: Warwickshire II v Middlesex II.
OTHER MATCHES:
GUILDFORD: Derrick Robins XI v Cambridge University.
PORTSMOUTH: Combined Services v Oxford University.

Athletics

Pressure on Ovett to meet Games 'deadline'

By Norman Fox

Fifteen athletes chosen to represent Britain at the Olympic Games in Moscow, including Steve Ovett, had still failed to notify the British Amateur Athletic Board of their acceptance last night, only 24 hours before tonight's 5.30 "deadline". David Shaw, the board's secretary, will be an early arrival at tonight's Talbot International Games at Crystal Palace in the hope that Ovett and the others will give him their decisions.

Mr Shaw said yesterday that although the "deadline" did not mean that at 5.31 the athletes would forfeit Olympic places, the administrative difficulties caused by late decisions meant that the competitors would be "chased very seriously to see what the hell they are doing". Ovett is expected to relay his decision through his coach. Earlier this month, he said in a rare radio interview that he was considering not going to Moscow because of the situation in Afghanistan.

Not for the first time, Ovett stands to be the centre of interest at an athletics meeting well stocked with alternative attractions. The crowd will be waiting to hear of his decision before he runs in a 1,500 metres race that should have decided whether Graham Williamson or Steve Cram joins Ovett and Sebastian Coe in the Olympic race over the same distance. Unfortunately, Williamson has not recovered from a cold and the decisive race will be in Oslo, next Tuesday. Coe is also suffering from a cold, and a respiratory virus, but still plans to be in Oslo.

Even without the important domestic 1,500 metres issue, the meeting tonight, should be outstanding. There will be several Olympic champions, world record holders and many of Britain's medal-winning prospects for Moscow. Among the highlights will be a two mile race that includes the former world record holder for 1,500 metres, Filbert Bayi of Tanzania, and an 800 metres that brings John Walker of New Zealand, back to Britain in good form after two leg operations. Walker is looking for compensation for not going to Moscow.

Two late entries for the meeting are Ed Moses, who would have been clear favourite to win the Olympic 400 metres hurdles in Moscow had the United States sent a team, and the American 110 metres hurdler, Renaldo Nehemia. Both are current world record holders and Moses has completed a remarkable series of 39 undefeated races.

On Tuesday Moses ran the fastest time of the year, 47.90 seconds, in poor conditions, in the United States. Among Nehemia's rivals tonight will be the 1972 Olympic champion, Rod Milburn.

Looking forward to 1984

Eugene, Oregon, June 26.—Mac Wilkins, a former world record holder and 1976 Olympic gold medalist, won the discus yesterday at the United States Olympic track and field trials. But the ageless Al Oerter was thwarted in his attempt to qualify for the team for a fifth time.

Wilkins won the discus with a throw of 225ft 4in; Oerter, aged 43, an Olympic gold medal winner in 1956, 1960, 1964 and 1968, settled for fourth place with a toss of 215ft 1in. John Powell was second in the discus at 223ft 1in and Ben Plucknett third at 218ft 2in.

Another veteran trying for his fifth place in the United States Olympic team, Jay Silvester, finished eighth in the 12-man field with a throw of 195ft 11in. Other final event winners yesterday included Larry Myricks in the men's long jump at 27ft 2in, James Butler in the men's 200 metres (20.49sec), Sherri Howard in the women's 400 metres (51.48sec) and Stephanie Hightower in the women's 100 metres hurdles (12.90sec).

The top three finishers in each final earned places in the United States team that will compete in Stuttgart, West Germany, London and Oslo later this summer. The team will also compete in the United States "alternative Olympics", called the Liberty Bell Track and Field Classic, to be held in Philadelphia on July 16 and 17.

Wilkins, who was looking for a world record 233ft 6in or better yesterday, was hampered by rugged form and air that was chilly and windless.

Oerter said he was looking forward to the 1984 Olympics in Los Angeles. Oerter also will tour this summer: he will be in Italy in July, in eight or nine countries in Europe in August, and Taiwan and Chile in October.

Racing

Newcastle programme

FAWDON STAKES (2-y-o fillies: £1,676: 5f)

CAMPERDOWN STAKES (Selling handicap: 3-y-o: £945: 1m 1f)

GOSFORTH PARK CUP STAKES (Handicap: £9,943: 5f)

ST OSWALD STAKES (Maiden: 3-y-o: £2,188: 7f)

ANGERTON STAKES (2-y-o c & g: £1,886: 6f)

JOHN OSBORNE STAKES (Handicap: £1,604: 1¼m 60 yds)

Newcastle selections

By Michael Phillips
Disco Dancing. 7.10 Chiquitita. 7.35 Epsom Imp. 8.15 Micky ... 8.35 Borisov. 9.15 Legious.
By Our Newmarket Correspondent
... Jade Girl. 7.10 Dynapak. 7.35 Crews Hill. 8.15 Ecchinswell Oak. ... Borisov. 9.15 Legious.

Newcastle results

BLAGDON STAKES

4.0 (4.1) WALLSEND HANDICAP (£1,755: 6f)

STAGSHAW STAKES

HEDDON HANDICAP

DOBSON PEACOCK HANDICAP

STOCKSFIELD STAKES

Henry Cecil's dual Ascot Gold Cup winner, Le Moss, has been sold to stand at the Brownstown Stud in County Kildare.

Epsom Imp can crown Mercer's day

By Michael Phillips
Racing Correspondent

With £12,500 added to the sweepstakes, the Gosforth Park Cup is by far the most valuable race run in England today. With Crews Hill, Epsom Imp, St Terramar, Primula Boy and Cottam Rocket all in the line-up, what a sizzling sprint the Newcastle feature should become. With four successive victories to his name this season, Crews Hill has already laid bare his claim to be regarded as the most improved horse in training.

Before the season began he did not even warrant a rating in that august publication, *Race Horses of 1979*. Now, in the light of his achievements under the expert supervision of Frank Durr, he is rated 121 by the men of *Timeform*. However, so far his victories have all been gained on fast ground and it remains to be seen whether he will be nearly so effective now that the rain has seeped into the turf at Newcastle.

It also remains to be seen whether Crews Hill can beat Epsom Imp, now that he will be meeting him on vastly worse terms than when they last clashed, at Doncaster at the beginning of May. On that occasion Crews Hill finished six lengths in front of Epsom Imp when he was getting 30lb from him. Now they will be carrying the same weight.

While Crews Hill is obviously much improved it is perfectly possible to argue that Epsom Imp has not deteriorated. After all, he was beaten only a length and a half by Susarma at Epsom earlier this month and by the same margin by Abdu at Haydock in April. In the circumstances I will not be surprised if the winning ride on Epsom Imp turns out to be the high spot of what could easily be a velvet day in Joe Mercer's life.

Borisov (8.35) and Legious (9.5) look like other potential winners for Mercer at Newcastle. Earlier in the day the champion jockey would have paid Doncaster a visit on route to the north. There, on Town Moor, he could win two races on Chevington (3.45) and Sound Gold (4.45). Borisov and Sound Gold are both trained by Henry Cecil, whose two-year-olds seem destined to play an increasingly large part as the rest of the season unfolds.

Mercer: a velvet day?

After suffering from the virus that played havoc with all Harry Wragg's plans in the spring, Chevington made a successful comeback at Sandown earlier this month. However, in this instance he could easily be sorely troubled by China Royal whose racing career began on such an auspicious note at Warwick last Saturday. To make matters worse, Chevington must give China Royal weight.

No matter how Chevington gets on, Wragg should have at least one winner today and that horse in question is Palmella, my selection for the AGB Maiden Stakes at Lingfield. Although Palmella finished a length and a half behind one of her rivals today, Miss Neustrie, at Newbury when they were both beaten by Norfolk Gail, I anticipate that she has made the greater improvement and expect her to do better this time.

Finally Mrs Sally Hindley, who is the chairman of the committee organizing tomorrow's meeting at Newmarket in aid of the Multiple Sclerosis Society, told me yesterday that she and her fellow committee members are indebted to a Saudi Arabian, who wishes to remain anonymous, who has just given them £15,000 with which to buy an ambulance for the Newmarket branch of the society.

Bonnie Charlie won the Piper Champagne Stakes at Salisbury yesterday in the style of a good two-year-old but his trainer, Guy Harwood, missed seeing him do his stuff. Harwood was sunning himself in the South of France at the time. He returns from his short holiday this morning but flies off to Ireland almost immediately to supervise the saddling of the Derby third, Rankin, for tomorrow's Irish Sweeps Derby for which his jockey, Greville Starkey, predicted yesterday: "He is bound to be in the money". Starkey is of the opinion that Rankin has thrived since Epsom and he was delighted with the feel that the colt had given in a work-out on Wednesday.

Yesterday Starkey rode Bonnie Charlie with greater restraint than he had at Newbury, when they were just pipped by Robellino, and the change of tactics paid off. Bonnie Charlie bounced out of the stalls fastest of all but in a trice Starkey had taken him back behind his rivals. Glyndebourne looked like winning once he had mastered McCarthy but only until Starkey decided that the moment was ripe to show his hand.

He may have been lucky to get such a beautiful run up the rails but they say that fortune favours the brave and he has never been afraid to take a chance. In this instance both horse and jockey responded to the occasion, seized their opportunity and won going away to the evident and understandable delight of his eight owners, headed by the syndicate leader, Mrs Dan Abbott. Bonnie Charlie is the first two-year-old to win for the Abbotts in the 12 years that they have been owning bits and pieces of race horses. If present plans are adhered to, Bonnie Charlie will run next in the Richmond Stakes at Goodwood, the Abbotts' home course, leaving his talented stable companion, Recitation, to take pot luck in the July Stakes at Newmarket.

Starkey went on to complete a 210-1 treble by winning the last two races, the two divisions of the Tisbury Maiden Fillies Stakes, on Hermia and Bint Africa. Never has he ridden better.

Hastings-Bass scores with Crown Witness

William Hastings-Bass, though busy saddling runners at Salisbury, sent Crown Witness and Seven Hearts for the Dobson Peacock Handicap Stakes at Newcastle yesterday and they finished respectively first and third. Crown Witness beat Saber by two lengths and Seven Hearts, the favourite was a further three-quarters of a length away.

Ernie Johnson, who rode Crown Witness, made all the running, and sweeping into the straight his mount lengthened her stride in great style. She had been expected to make her first appearance of the season in the William Hill Lincoln Handicap but had a setback in training and was out of action for some weeks.

Later, the stewards inquired into Crown Witness's improved form compared with her running in the Polar Jest Apprentice Handicap at Newbury on June 12. They interviewed the stable representative and accepted the been coughing between her first race of the season, at Newcastle on April 7, and at Newbury.

Johnny Seagrave injured his shoulder and was taken to hospital after Singapore Sue had unseated him on the way down to the start of the Stagshaw Selling Stakes. He is almost certain to miss his ride on Vicomte in the Coral Northumberland Plate at this course tomorrow.

Longlands Lady scrambled home by a neck from Luccombe. Jack Berry picked up Longlands Lady for 840 guineas at the Doncaster sales and could enjoy his best season. He has now had 10 winners; his best total so far was 20 two years ago.

Solway Winds took the Blagdon Maiden Stakes by three lengths from Lifestyle. Stuart Webster always had Solway Winds u pwith the ledaers. Royal Capital, the favourite, finished a well beaten fourth.

STATE OF GOING (official): Lingfield Park: Good. Newcastle: Good. Doncaster: Good. Newmarket (tomorrow): Good. Chepstow: Good.

OFFICIAL SCRATCHINGS: Gimcrack Stakes, York: Loch Boyle. All engagements (dead): Rushton. Haddon Boy.

Doncaster programme

2.45 BENTLEY SELLING STAKES (2-y-o: £1,320: 6f)

3.15 LONDESBOROUGH HANDICAP (£2,075: 1m 2f 50yd)

3.45 STOCKIL STAKES (3-y-o: £1,965: 1m)

4.15 GEORGE BOON APPRENTICE HANDICAP (£1,253: 1m 4f)

4.45 MARGARET MAIDEN STAKES (2-y-o: £1,686: 6f)

5.15 SCURRY HANDICAP (3-y-o fillies: £2,066: 7f)

11-4 Kilroyale, 7-2 Hexgreave Elite, 9-2 Depict, 11-2 Lost for Words, 7-1 Alauna, 10-1 Well Greased, 14-1 Mar del Plata, 16-1 others.
*Doubtful runner.

Doncaster selections

By Michael Phillips
2.45 May Go Twice. 3.15 Liquidate. 3.45 China Royal. 4.15 Ambler. 4.45 FOUND GOLD is specially recommended. 5.15 Depict.
By Our Newmarket Correspondent
3.15 Liquidate. 3.45 Chevington. 4.15 Down to Darkie. 4.45 Found Gold. 5.15 Kilroyale.

Lingfield Park programme

3.0 CAREWELL HANDICAP (£1,113: 6f)

3.30 AGB STAKES (Maidens: 3-y-o: £1,269: 1¼m)

4.0 AUDLEY HANDICAP (£3,473: 7f)

4.30 FISHERMANS STAKES (Selling: 2-y-o: £640: 6f)

5.0 HAMSELL HANDICAP (£1,858: 2m)

5.30 CATHLES HANDICAP (3-y-o: £1,800: 1¼m)

6.0 WADHURST STAKES (2-y-o: £1,853: 5f)

*Doubtful runner

Lingfield Park selections

By Michael Phillips
3.0 Birwood Lad. 3.30 PALMELLA is specially recommended. 4.0 Home Ground. 4.30 Gaythorn. 5.0 Leodegrance. 5.30 Spanish Dancer. 6.0 Final Call.
By Our Newmarket Correspondent
3.0 Springy. 3.30 Palmella. 4.0 Cajolery. 5.0 Sharp Fiddle. 5.30 Denston.

Salisbury

2.15 (2.16) DOWNTON HANDICAP (3-y-o: £2,246: 7f)

4.15 (4.19) NOEL CANNON HANDICAP (£2,712: 1m)

SOUTHAMPTON STAKES

TISBURY STAKES (Div I)

PIPER CHAMPAGNE STAKES

TISBURY STAKES (Div II)

CARNARVON CHALLENGE CUP

PARLIAMENT, June 26, 1980

Plans of new chairman will seal fate of BSC: £400m more required no

House of Commons

The Government has been told by Sir Charles Villiers, chairman of the British Steel Corporation, that he would have to recommend the liquidation of the business unless the Government agrees to factoring of home debtors and sale and leaseback of major assets outside the external financing limit to provide for an additional cash requirement of about £400m in the financial year 1980-81, Sir Keith Joseph, Secretary of State for Industry, said in a statement.

He added that the Government would not reconsider the level of the external financing limit until Mr Ian MacGregor, the new chairman, makes his proposals and the corporation was taking the necessary measures.

Sir Keith Joseph (Leeds, North-East, C) said—For the last financial year, as the House was told on June 10, BSC estimate a loss before adjustments of £450m from ordinary activities. There are also extraordinary items, consisting of redundancy and other closure costs and a write-down of fixed assets which will be over £1,100m. Final figures will be available in a few weeks' time.

For this financial year, the Government have made £450m of taxpayers' money available as the external financing limit. The chairman has warned me for months that, without corrective action, BSC's needs will greatly exceed the external financing limit but he also told me that he was seeking remedies and was not asking for more cash.

On June 6, however, he wrote to me that, even after allowing for the remedies being pursued, his Board foresaw an additional cash requirement of around £400m in the financial year 1980-81 over and above the external financing limit.

He wrote that, unless the Government agreed to the factoring of home debtors and the sale and leaseback of major assets outside the external financing limit to provide this £400m, BSC could not carry on trading and the board would have to recommend the liquidation of the business.

Measures such as BSC have proposed would, of course, only postpone the day of reckoning. As for liquidation, the Iron and Steel Act 1975 makes no provision for this. The £400m figure is based on provisional trading forecasts: a firmer figure, which may well be larger, will have to await an up-to-date assessment of BSC's trading position.

Over the past year, the market has fallen away both at home and abroad with a depressive effect on prices. Meanwhile, BSC's costs have been rising sharply. The long strike has, as I warned the House, made BSC's sales and job prospects and the cash problems worse.

We are not satisfied that the corporation have yet taken with sufficient speed and determination all the action open to them to reduce their cash requirement in 1980-81. Mr MacGregor, who takes office as chairman next week, will need time to produce new proposals.

Until Mr MacGregor has made his proposals and we are satisfied that the corporation is taking the necessary measures we are not prepared to reconsider the level of the external financing limit.

Should the Government decide to advance additional funds any money required would involve a winter supplementary estimate and if needed before then would be provided by a repayable advance from the contingencies fund. I shall report to the House again later in the year.

Meanwhile, having considered the corporation's concern about taking on fresh financial commitments, I have asked BSC to continue trading as an on-going business.

I have told them that in the last resort the Government would have to ensure that creditors of the corporation had their claims met in full.

BSC have for years suffered from political interference and insulation from market realities. The taxpayer has already contributed over £4,000m to BSC over the past five years; a further £450m is being made available in the current year and now we are being asked to consider yet further calls on the taxpayer.

BSC are still faced by excess capacity and lack of competitiveness in an intensely competitive market.

It is for the new chairman to use every practicable means, including a further review of capacity and disposals, to bring the corporation's cash requirements as close as practicable to the external financing limit, and to see if it is possible to restore the corporation's financial and trading position.

Mr John Silkin, Opposition spokesman on industry (Lewisham, Deptford, Lab)—We have been warning the Government for more than a year that the cash limits were unrealistic and impossible. Now he is coming to us and telling us that exactly the same is true, and that he was only aware of it from June 6.

If he had taken our advice and had taken the necessary steps before last September, there would not have been a steel strike and this situation would not have arisen.

After months of indecision and a year of dithering, can he tell us now clearly and unequivocally whether he is in favour of a British bulk steel industry or not.

Sir Keith Joseph—I am asked to accept that if I had only followed the advice of the Opposition and bought off the strike when it occurred or avoided it by raising the cash limit, all would have been well, but I remind them that when they formed the Government, they deferred closures obviously needed at the time and thus delayed until a time of relatively high unemployment losses of jobs which could have been more easily absorbed, with less unemployment than has now occurred.

Yes, I do support a bulk steel industry if it can be profitable.

Mr Patrick McNair-Wilson (New Forest, C)—The corporation's target became unrealistic on the day the strike started and no buying off of the strike would have altered that. Substantial losses will continue for bulk steel making because of the world recession.

Will he consider a far-reaching financial reconstruction of the industry to include introduction of private capital?

Sir Keith Joseph—I am not sure that I accept that the target became unrealistic the moment the strike began, because I believe that the purpose of the BSC to achieve greater competitiveness and prevent losses from mounting was an important component of any attempt to cease to be a burden on the taxpayer.

But I certainly accept that steel companies all over the western world are in difficulty and that there may be a place for private capital in all parts of the steel industry.

Mr Alan Beith (Berwick-upon-Tweed, L)—How does he expect that steel workers will try to make it profitable when they see that the price is closures and that the costs of closures are being added to the costs of the corporation?

Sir Keith Joseph—I think that steel workers will understand that it is in their interests to make their industry profitable.

Mr Kenneth Baker (City of Westminster, St Marylebone, C)—To a large part the financial position of the British steel industry is a direct and tragic consequence of the strike earlier this year.

The unions in British Steel have to bear a large degree of responsibility for imposing upon their industry a grevious and self-inflicted wound.

Is it envisaged, in the additional support which the Government envisages for British Steel that as we come out of the recession in the next two or three years, there will be a slimmed down and viable British steel industry?

Sir Keith Joseph—I agree that the strike and its consequences in lost share of the home market bears a very large responsibility for the problems facing British Steel. It is possible under the new chairman, and with the cooperation of all concerned, that we shall have a satisfactory steel industry in the future.

Mr Gregor Mackenzie (Rutherglen, Lab)—Are the measures taken by BSC and those he is asking them to take in line with the comments which have been made by the chairman designate of *BSC* in Wales and elsewhere? There was a great deal of bitterness throughout the country.

Does he ever think about the social cost and not about the profits involved?

Sir Keith Joseph—I cannot answer for the recommendations of the chairman. His actions are bound to include a review of the capacity and a review of disposals. They will also include other possibilities such as a review of overheads and buying of stocks.

As for the social cost, the taxpayer has handed over £5,000m over the last five years which could have stayed in their handbags and pockets. This is a measure of the social cost which has been invested in British Steel in the hope of making it profitable.

Mr Michael Grylls (North-West Surrey, C)—The deteriorating position of British Steel indicates deplorable inadequate financial control within the corporation and more than justifies his own determination to get the best man as chairman.

Sir Keith Joseph—I am glad he agrees with me. British Steel *deserves the best* man we can get.

Mr Leo Abse (Pontypool, Lab)—His statement will be clearly interpreted in Wales as characteristic incitement on his part that there are to be further savage cuts in Wales and further redundancies.

Has he got any idea of the social tensions that he is creating in the Principality?

Is he aware of the consequences further cuts will have on the coal industry? Has he any realization of the significane of the fanatical Messianic course he is taking which has led Wales to believe that this Government has taken leave of its senses.

Sir Keith Joseph—He does no service to his constituents to devote his eloquence to the concept that people can continue to work making goods that nobody wants to buy.

Sir Anthony Meyer (West Flint, C)—For those of us who are even more concerned by unemployment than by inflation, this grave statement must serve further to increase our fears that by pouring more and more money into propping up what remains of the steel industry we may be endangering more jobs than we are saving.

Sir Keith Joseph—He is right to refer to this tragic diversion of money that could be fertilizing new activities into the support of activities that are not making a profit. I must quarrel with him for suggesting that we can put unemployment as a priority above inflation as if the two were unconnected. I adopt the words of Sir Harold Wilson when he said that inflation is the father and mother of unemployment.

Mr Ernest Armstrong (Durham, North-West, Lab)—His statement will be regarded as a short-term petty punishment by those who reluctantly felt they had no other option but to go on strike earlier in the year. To write off the steel industry is beyond comprehension.

Sir Keith Joseph—Other jobs will be destroyed if money is taken to support people producing what others do not buy. It was a most misguided strike, as we warned from the beginning.

Mr Edward du Cann (Taunton, C)—In the context of the most grave statement about an industrial matter I have ever heard in this House with its frightful, economic and family implications, and the appointment of the new chairman, is it possible to see that the House *has* a further statement before the recess? Seeing that we fortunately still have a viable, strong and prosperous steel industry in the private sector, will he give an undertaking that the corporation will do nothing at taxpayers' expense to make that private sector unprofitable or put its future in any way in jeopardy?

Sir Keith Joseph—I can him the assurance he wan the timing of the next st because there are only tively few weeks before t cess and Mr MacGregor onl comes chairman next week must be given the chance assess the position.

I would like to give the ass ance he seeks in the second pa I cannot do so without qualific tion. All I can assure him is th both sectors, public and private operate under commercial im peratives, and we are restricting the subsidy as much as we humanely can.

Mr Jock Bruce-Gardyne (Knuts ford, C)—Whatever the statutory position may be, there is a case for the department urging the BSC to take seriously the possi bility wherever it arises of the *disposal* of assets.

Sir Keith Joseph—I shall certainly not stand in the way.

Sir Ronald Bell (Beaconsfield, C)—There are steel industries in the world with strikingly different manning levels which are not in such dire trouble as BSC? The huge figures he announced show that year after year, probably for social considerations, the challenge of international comparison was evaded.

Sir Keith Joseph—Yes. There are individual parts of the BSC where manning is at international standards. If that had been allowed *from* the beginning, instead of resisted by the unions and not insisted upon by management, there would not be this situation today.

Mr Abse later sought unsuccessfully to get an emergency debate on the statement. His application was rejected by the Speaker (M George Thomas).

PM refuses to tax more, borrow more or print more money

The majority of British people were confident that Government policies would take them through to an expanding economy and greater prosperity, *Mrs* Thatcher the Prime Minister, said at question time in reply to Labour charges that her policies were crucifying industry.

Mr James Callaghan, Leader of the Opposition, (Cardiff South-East, Lab) had said)As Mrs Thatcher frequently tells us firms close and unemployment is cuased because frims are not competitive, how does she reconcile that with the letter that appeared in The Times yesterday about about the caravan industry, stating it was an efficient industry with 97 per cent of the home market, and a healthy export record? It is now, to quote: "being brought close to ruin by Government policies."

How does she reconcile this with her view that it is uncompetitive firms that go bankrupt? (Labour cheers)

Mrs Margaret Thatcher (Barnet, Finchely, C)With regard to any particular firm that finds itself in difficulty, there may be many different reasons. Many of us believed when the Labour Government put up VAT to 25 per cent, that that very nearly ruined the caravan industry.

There are a number of industries or firms that will find themselves in difficulties. It is inevitable, partly through the owrld recession to which the IMF refer today, and partly because we have not yet squeezed inflation out of the economy. Mr Callaghan used to give that top priority.

Until that is done, we shall not have a firm base from which to go forward steadily to expand.

Mr Callaghan—When will she take this problem seriously? There are industries that are competitive, holding their own at home and abroad, and do not fear competition. It is alleged it is as a consequence of Government policies that a healthy growing British industry with a fine export record is close to ruin. What is she going to do about it?

Mrs Thatcher—We have to continue policies which as a top priority will try to swueeze out inlation. The most competitive companies will survive, and have an excellent record as the Department of Trade rightly announced the other day. The most competitive and best companies will survive.

Mr Barry Jones (East Flint, Lab)—Under Mrs Thatcher's leadeship, the future of the textile and steal towns is bleak and frightening.

What urgent help can she give t the desperate township of Flint, which currently suffers a male unemployment rate of some 36 per cent?

What urgent and fundamenta change would she make in her economic strategy not only to save this twon, but British manufacturing industry? (Loud Labour cheers)

Mrs Thatcher—If he is asking us t change our whole economc policy—(Loud Labour shouts of: "Yes")—he is asking us to do one of three things—(Labour shouts of "Rubbish" and "Resign")—to tax more, to borrow more, or to print more. Which is it? (Loud Conservative cheers and shouts of: "Answer")

Mr Kenneth Lewis (Rutland and Stamford, C)—There is one important matter that concerns industry and commerce in this or any country, represented by the 10 letter word "confidence".

It is important at this time that industry should be provided with the maximum of confidence. She should encourage her ministers to make speeches on policies of general confidence because becaus that is important (Labour cheers and laughter)

Mrs Thatcher—the majority of peole in this country have confidence that our policies will take us throuhg to an expanding economy and greater prosperity. These policies were confirmed by the Venice Summit this weekend. (Labour laughter)

Mr John Dormand (Easington, Lab)—Her policies are crucifying the Northern region which not only has the highest unemployment rate in the country, but is now becoimng a scene of devastation, not least at the Consett steel works.

Mrs Thatcher—Does Mr Dormand want us to increase taxation, increase borrowing, or more printing? Which?

Sir William Elliott (Newcastle upon Tyne, North, C)—In her recent visit to the North East, people at all levels of industry were highly impressed—(Labour laughter and interuptions)—by her grasp of the region's difficulties and her understanding and sympathy with them.

Mrs Thatcher—The Labour Government twice doubled unemployment in the North-East so the Opposition has nothing to boast about.

Avoiding ghettoes in council estates

House of Lords

There was widespread concern about council estates becoming even more like ghettoes than they were now, with the poor in one area and the better-off in another, Lord Evans of Claughton (L) said when the Housing Bill, which has passed the Commons, was considered in committee.

The Bill gives council house tenants the right to buy a council property if they have been secure tenants of any dwelling during the previous three years.

Lord Evans of Claughton moved an amendment to ensure a secure tenancy would only arise if the tenant had been the tenant of one dwelling for the three years.

He said he suspected that one of the disadvantages of the right to buy provisions was that the social mix in housing estatus would be diminished. Liberals would like to see housing estates with a fairly mixed social and ownership content.

By suggesting that the period counted towards security of tenancy must be the period in one house, they would do something at least to try to avoid the dangers of the ghetto principle.

The amendment was important from a social engineering point of view and from that of getting rid of class consciousness, class difficulties and the jealousies and enmities which arose at present and would be exacerbated if the Bill was passed in its present form.

Lord Bellwin, Under-Secretary, Environment, said he refuted what had been said about ghettoes. The mixed social content was something everyone professed to wish to see and which the Government was trying to do something to bring about. The amendment proposed a restriction on the right to buy which would narrow its scope significantly.

The amendment was rejected by 122 votes to 88—Government majority, 34.

The Clifton Suspension Bridge Bill was read the third time and passed.

The Yorkshire Woollen District Transport Bill was read a second time.

The Sea Fish Industry Bill was read the third time and passed.

Jobs will only flourish if inflation is lowered

House of Commons

The Opposition motion on unemployment debated yesterday was rejected by 320 votes to 257—Government majority, 63, and the overnment amendment carried by 316 votes to 247—Government majority, 69.

Mr James Prior, Secretary of State for Employment (Lowestoft, C) said in regard to the youth opportunities scheme that the Government would certainly see that money was available to fulfil pledges which had been given in the past, and which the Government had given again, for the continuation of this scheme. There was no question that money would not be available for that purpose.

Inflation was at the root of the nation's problems. Social injustices and economic inefficiencies were the result of inflation and only controlling inflation would the climate be created in which real jobs would flourish and unemployment fall.

Over recent years the country had been overpaying itself relative to its competitors. It was the nation's inability to compete that shackled it and led to job losses as the world recession set in.

Signs that suggest inflation will fall shortly

The level at which prices were rising was shortly going to peak out, Sir Geoffrey Howe, Chancellor of the Exchequer, said when asked if he yet saw any signs of his policies being successful.

Yes indeed, he told Mr Douglas Jay (Wandsworth, Battersea, North, Lab) the reply drawing loud Opposition laughter.

The number of employers (said the Chancellor) likely to make price increases is at its lowest level since January 1973 and house prices are not rising. All these are characteristics that suggest the level of inflation is likely to turn round shortly.

He said earlier that wage settlements not consistent with the rate of monetary growth could only run the risk of destroying jobs. The sooner and the more widely this is understood (he went on) by wage bargainers, the sooner we shall be able to reverse the upward trend in unemployment.

Mr Clement Freud (Isle of Ely, L)—To what heights will unemployment have to rise before the Chancellor achieves restraint in wage settlements?

Sir Geoffrey Howe (Surrey, East, C)—It is not for me to achieve restrain in wage settlements, it is for those concerned in the pay bargaining.

It was a central conclusion reached by the last Labour government after the collapse of their own pay policy that it was best to leave pay bargaining to those concerned in doing it. Any attempt to impose a uniform policy sows the seeds of its own destruction.

It is for pay bargainers on both sides of the bargaining table to recognise their own responsibility for creating unemployment if they insist on pay settlements which are too high.

Sir William Clarke (Croydon, South, C)—In wage settlements far too much emphasis in the past has been placed on a 10 or a 15 per cent increase without paying attention to the increased productivity that this country needs.

Sir Geoffrey Howe—Yes indeed, During the last two years pay rises have exceeded rises in prices, by about 12 per cent, rather more than about twice as much as productivity. That is a prescription for disaster and rising unemployment.

Mr Denzil Davies an Opposition spokesman (Llanelli, Lab)—Is it still his view that high wage settlements are not a cause of inflation?

Sir Geoffrey Howe—High wage settlements are incompatible with the maintenance of proper monetary discipline. High pay settlements contribute initially to higher inflation than would otherwise be the case. In due course inflation will come down and the effect of high pay settlements is to leave us with a high level of unemployment.

Earlier Mr John Biffen, Chief Secretary to the Treasury (Oswestry, C) said public sector pay settlements would need to be determined in the light of what the taxpayer and the ratepayer could afford. It was too early to reach firm views of figures.

Mr David Winnick (Walsall, North, Lab)—This Government has lost any authority whatsoever to ask for economic restraint or wage restraint of any kind. Public sector workers will be determined to make a hard fight to stop themselves being bullied or intimidated by this Government.

Mr Biffen—It is not the purpose of this Government to bully or intimidate but to operate by the rule of law, particularly in respect of wages.

Mr Robert McCrindle (Brentwood and Ongar, C)—In regard to the private sector, is he convinced that falling productivity and reduced demand will alone induce private employers to follow the example of the Government in the public sector or does he have any additional inducement in mind to stiffen their resolve.

Mr Biffen—Falling productivity will be a major determinant in the level of earnings. That was evident in the May report of the CBI data bank.

Home prices steady over some months

There were several indicators that the rate of inflation was likely to turn down fairly shortly, Sir Geoffrey Howe, Chancellor of the Exchequer said.

Mr John Bruce-Gardine, Knutsford, (C) asked if the Chancellor had noticed the results of the latest CBI survey on manufacturers dusty's intentions which suggested that manufacturers expected to put up prices less than at anytime during the past seven years?

Sir Geoffrey Howe—Yes, I have noticed that and also that house prices are standing steady and have been doing so for some months. These are among several indicators that the rate of inflation is likely to turn down fairly shortly.

Mr Denis Healey chief Opposition spokesman on Treasury affairs (Leeds, East, Lab)—The fact that the rate of inflation has more than doubled since he took office represents not only a total failure of his policies, but a betrayal of all the promises he made in the election.

Now that the Treasury is forecasting inflation at between 18 and 19 per cent at the end of the year, will he raise the increase for the old age pensioners in November by 10 per cent to fulfil his legal commitment to keep the rise in pensions in line with the rise in prices? (Labour cheers)

Sir Geoffrey Howe—He should know better than to found his assessment of Treasury forecasts on items he may or may not read in the newspapers. The Treasury's last forecast was contained in the Red Book published at the time of the Budget.

The rate of monetary growth between the middle of 1977 and the middle of last year was 15 per cent per annum. It is that which is the fundamental cause of the present rate of inflation.

Mr Healey—Does he accept the forecasts in his Red Book that the increase in money supply the year before he took office was a good deal lower than the increase in his first year of office?

Will he undertake to raise the old age pension in November in line with the increase in prices and not cheat the pensioners again, as he has cheated them out of £30m by paying the pension increase two weeks late?

Sir Geoffrey Howe—The Labour Government reversed the basis of assessment of pension increases and thereby laid itself open to the charge of cheating. This Government will not cheat the pensioners.

Mr Alan Clark (Plymouth, Sutton, C) " Will he reject totally any concept of interfering with wage levels? A man's power to get the market rate for his labour is one of the primary freedoms with which the Conservative Party is associated?

Sir Geoffrey Howe—I recognize, as I am sure the great majority of MPs do, that previous attempts to introduce pay policies which are applied across the board whether by statute or otherwise, have always contained the seeds of their own destruction.

Of course the Government is responsible for determining the pay of those it employs, but that is an entirely different matter.

Mr Arthur Lewis (Newham, North-West, Lab)—Is it his policy to increase unemployment and increase inflation, because that is what is happening?

Sir Geoffrey Howe—No. So long as monetary discipline is being maintained, as it will be, those pay settlements which go beyond the underlying rate of growth of the money supply and the growth of productive resources of the country are bound to add to the level of unemployment.

Brutality and bullying have no place in the Army–minister

If a choice had to be made between a new generation of nuclear weapons and Britain's commitment to Nato, it was the Opposition's view that priority should be given to re-equipping the Army to carry out its role in Nato, Mr Dennis Concannon, an Opposition defence spokesman said, opening a degate on the Army.

If the Government decided—and there had been enough nods and winks—to go for another generation of the independent nuclear deterrent after Polaris, with the commitment to Nato, it was obvious that the next Labour Government would not be committed to that decision.

Referring to press reports today on Private James Darkin, aged 19, who, a coroner said, was so cruelly bullied by Army recruits that he killed himself, Mr Concannon said it was a destressing case.

I know (he said) that the Army, Navy and Air Force do not like the bad apples. They do not want this kind of publicity. No way is it the scene of the Army today.

What was surprising was how far such an individual could go in a professional Army. It was understandable in a conscript Army, but not when an individual like this was allowed to go so far without having the ncessary treatment from the people looking after him to say he would be better off out of the armed forces because this was not the life that suited him.

It is bad publicity for the Army (he said) and something that I know the Army does not wish to happen. There have been one or two cases this year of what they term *bully boys in unifrom*. We will back the Minister and Ministry. This is no part of the British Army today, and the sooner the Army is rid of them the better.

Mr Barney Hayhoe, Under Secretary of Defence for the Army (Hounslow, Brentford and Isleworth, C) said that morale was much higher in the Army than it had been a year ago. The contrast was significant. Thirteen months ago the Army was under strength, overstretched, uncertain about its future, suffering from too much turbulence and too little training. Today it was stronger, its commitments in better balance, turbulence was being reduced and training increased.

Recruiting was going well and the dangerous haemorrhage of skilled and experienced officers and NCOs had been staunched; confidence was returning and morale high. That had flowed from the realization that the *Government* better appreciated and understood the contribution of the Army and the other services to national life.

For adult and young soldiers, recruiting had picked up last summer. The last quarter of 1979 was the most productive of recruits since 1971. Over the whole of the 1979-80 year the level of applications, enlistments and allocations to units was about 20 per cent up on the previous year.

Although recruiting was going on successfully and wastage, including premature voluntary *release*, had been *reduced*, the Army was still more than 8,000 trained soldiers below strength.

Officer recruiting was taking longer to pick up, but the prospects for 1980-81 looked better, with an increase in applications. Recruiting for the Junior Army had not been so successful. It fell 6 per cent short of the target last year and applications were down. The reason might have been that some school leavers were studying into their sixteenth year.

Some deplorable and well publicized incidents during the year had influenced a number of parents against encouraging their sons to join the Arwmy, including the news of the tragic suicide of James Darkin.

The details of the bullying (he said), the failure of the NCOs and officers to act, will have come as a bitter shcok to all who wish the army well. Our sympathy goes to all of the relatives and friends, as to those who have been saddened and hurt.

As a consequence of the mercifully few but noe the less utterly deplorable incidents involving vicious treatment of young recruits let me make it clear that brutality and bullying have no place in the British Army. It is not and cannot be the Army's way of doing things, and such conduct will not be tolerated. The Army takes its responsibility towards *its* soldiers seriously.

Hard and realistic training is essential, but there is no place and there can be no place for brutality *and ill-treatment in the British* Army today.

The Army investigated throughly every allegation of brutality or ill-treatment. Anyone regardless of rank who had been found guilty of such offences had been punished. Any further incidents that came to light would be dealt with rigorously.

Mr Anthony Buck (Colchester, C) asked whether there would be a full investigation.

Mr Hayhoe said he had called for a report and had not yet received it. The matter would not be left as it was today.

The Territorial Army had seen a welcome increase in strength to about 63,000—the highest figure since reorganization in 1967. The present strength had increased by over 4,000 since last July and this was due to improved recruiting and increased training bounties together with the Government's commitments to improve the effectiveness of the reserves.

A major exercise, code-named Crusader, planned for this autumn would be the largest *peacetime* exercise undertaken by the TA for many years.

L-test wait

Mr Kenneth Clarke, Parliamentary Secretary Ministry of Transport, I a written reply, said—The national average waiting time for an L-test is 26½ weeks. There are 889,000 applications outstanding.

Since May 1979, there has been a net *increase* of 205 examiners; further recruitment should ensure a continuing steady reduction in waiting periods.

Interest rates not helping small firms

A Conservative MP said at question time that present interest rates conflicted with the Government's strategy of encouraging small businesses and helping them to expand. What did the Chancellor intend to do to reduce that conflict.

Mr Michael Latham (Melton, C) also asked what were the factors currently preventing the Chancellor from reducing interest rates.

Sir Geoffrey Howe (East Surrey, C)—Our policies are intended to create conditions in which it will be possible for interest rates to fall in due course.

It is desirable that interest rates should go down as soon as that is compatible with money supply.

Mr Robert Sheldon (Ashton-under-Lyne, Lab)—The high level of interest rates and the high level of the pound are causing acute problems for many of our most successful companies, the latest being Rolls-Royce Motors.

It is not enough to have a simple solution of putting inflation as first priority if the result is industrial dereliction typified by the number of excellent companies *being in difficulty*.

Sir Geoffrey Howe—I make no comment on the particular case, as was the experience of the Labour Government getting money supply and inflation under control involves high rates of interest. The exchange rate is outside the control of the Government.

It is important for the management of industry and pay bargainers on both sides to recognize the extent to which they are themselves capable of changing its worst consequences.

It was no part of Government policy to maintain high interest *rates for their own sake*, Mr Nigel Lawson, financial Secretary to the Treasury, said during other questions.

He added that as soon as intere rates could be reduced, consiste with maintaining monetary target they would be reduced.

Mr Denis Healey, chief Oppositio spokesman on Treasury affair (Leeds, East, Lab)—Interest ra increase inflation because th increase the cost to indus both of investment and stocks.

Industry is groaning under th impact of these excessively hig interest rates which have been f higher than is needed to contr *the money supply*. The attempt reduce private borrowing by exce sively high interest rates has be proved a total failure.

Mr Lawson (Blaby, C)—Mr H ley, as usual, is wrong and knows he is because he increa interest rates during his tenur Chancellor of the Exchequer. the battle against inflation.

Countries throughout the w have increased interest rates the past year, again as part of battle against inflation.

Mr Healey—When I increased minimum lending rate to 15 cent it started falling immed *and reached 5 per cent with months*.

He has maintained a 17 per minimum lending rate for months and apart from the o sional murmurs from the Chan lor (Sir Geoffrey Howe), wh are proved wrong within days making them, there is no prosp of a substantial fall in inter rates appearing before autumn at least.

Mr Lawson—What he did by al ing interest rates to come d too far and too fast was lay groundwork for the rapid *incre in monetary growth during the months before the May 1979* g eral election. That is the caus the inflation we are suffering now.

Labour view on Ulster 'disgraceful'

The views put forward by the national executive of the Labour Party in a statment on Northern Ireland—which calls for a party study group to investigate "repression and torture in Northern Ireland prisons"—were disgraveful, Mrs Margaret Thatcher, the Prime Minister, said at question time.

She was replying to Mr Anthony Grant (Harrow, Cental, C) who asked: Has Mrs Thatcher studied the latest outburst of the Labour Party NEC on the wil allegations against authorities in Northern Ireland?

Does she think there is any truth in this or is there no limit to the lunacy of that crazy body?

Correction

When Mr Patrick Cormack (Staffordshire, South-West, C) suggested during exchanges on Tuesday that the Prime Minister should invite the British Olympic team to 10 Downing Street, he added that this would enable Mrs Thatcher to explain that the only true medals worth winning were those for courage in defence of freedom, and that none of those were available in Moscow.

Liberals want prices and incomes policy

Main business in the House Commons next week will be:

Monday: Civil Aviation Bill, port stage.

Tuesday: Debates on Innos on Liberal motion on imposs of controlling inflation and employment without a prices incomes policy.

Wednesday: Debate on budget settlement, EEC fisher policy and EEC foreign affa

Thursday: Local Governm Planning and Land (No 2) report.

Friday: Private members' B

Main business in the Hous Lords will be:

Monday: Housing Bill, com tee.

Tuesday: Social Security (Bill, report.

Wednesday: Housing Bill mittee. Debate on EEC bud 1980.

Thursday: Housing Bill, c tee.

Friday: Greater Manchester third reading; Housing Bill, mittee.

Parliamentary notic

House of Commons

Today at 2.30: Debates on de ment of regional orchestras a pay and conditions of employe British companies in South Afric

Message getting across on restraining cost of CAP

European Parliament

Luxembourg

The EEC Commission intended to uphold the principles and foundations of the common agriculture policy, Mr Christopher Tugendhat, Commissioner responsible for the budget, said during the debate on the Council of Ministers' revised budget for 1980. This did not mean, he made clear, that the Commission did not wish to curb and restrain agricultural spending.

He said they had travelled a long way *since the Parliament rejected* the Council's budget last December and there had been a change of attitudes. There had been an evolution.

The need to restrain agricultural expenditure was now much more clearly recognised. When he had first joined the Commission he had felt the Commission was a voice in the wilderness when they talked about the need for restraint in order to preserve and protect the policy and to enable new and other policies to be developed.

After direct elections he had felt that a new and stronger voice was being heard and now, *together*, the Commission and the Parliment were getting the message across and understood more widely.

They had seen what had happened at Venice and now heads of governments were saying the same thing. The Commission had great satisfaction in being given a mandate at the Venice summit to examine the whole area of Community financing.

The Parliament has before it the Council's revised budget which the Committee on Budget is urging it to adopt with a few amendments. The Council decided last month that if the Parliament would adopt its new budget when it votes tomorrow (Friday) they would be prepared to increase non-obligatory spending by about £146m. This would be for regional, social and other spending not connected with the CAP.

Mr Pieter Dankert, (Netherlands, Soc), rapporteur for the Budgets Committee, said the Council was not interested in dragging the budget issue out to the point whereby the Commission would be obliged to cut off payments to farmers, nor was the House. So it was better to reach a compromise which would serve the interests of the community.

The average growth in farm spending since 1976 had been 30 per cent a year, but this increase would not be maintained in 1980. The growth envisaged this year was about 12 per cent, and know*ing the way things went with agri*culture spending, was likely to end up as a growth of between 15 and 20 per cent. This was a favourable development and they should be satisfied with it.

In the same period non-compulsory spending had grown by about 15 per cent a year. This year it would be up by 21 per cent, although the Committee on Budgets proposed an amendment to increase it by about 17 million units of account. The Parliament could certainly claim credit for part of this development.

There were suggestions that the repayment system under the CAP involved a considerable waste of money. If this were true, it was a scandal and a waste of scarce resources which could lead eventually to a collapse of the CAP. To avoid that, the Commission and the Council should take firm measures to stop waste.

My impression during the first year of the elected Parliament (he said) is that we have got the measure of the Budgetary situation. The December events made the reconnaissance process longer but when we felt out the ground, we were able to make considerable progress. It will be possible to make more headway in the coming months.

Herr Isidor Fruh (West Germany, EPP) appealed for an end to constant criticism of the CAP. It was the only community-wide policy and they should stop saying that it *was taking money away from* other areas. He suggested that if there were proper regional policies or energy policies, money would be made available, as it was for the CAP.

Mr Tom Normanton (East Cheshire, ED) speaking for the Energy and Research committee, said the budget, to quote one of the members of his committee, was a scandal.

In spite of the plethora of words about the need for a Community energy policy, no proper provision was being made. He hoped that if the Council failed to make proper provision for energy in 1981 Parliament would reject the budget. An energy budget, he said, without an energy policy and without the political will to pursue that policy can only be described as a total irrelevance.

Mrs Elaine Kellett-Bowman (Cumbria, ED) speaking for the regional affairs committee, said one of the reasons the original budget was rejected was the lack of balance between compulsory and non-compulsory expenditure.

For many years the Parliament had been calling for the closing of the gap between the more prosperous and less prosperous areas of the Community. This was the most serious problem facing the Community today, because if it failed to live up to the promise in the Treaty of Rome to improve the less favoured areas the Community itself would not survive.

The Council dealt most ungenerously with the regional fund in its first proposal and actually proposed a reduction in terms on the year before. At the conciliation meeting between the Parliament and the Council they offered to link the fund for inflation. Now they had offered almost all the committee sought, 1,165m account when they were as 1,200m (about £800m): regional fund was well on ta

Signor Carlo Francanzan Italian Treasury Ministe and dent in offive of the Council the talks leading up to the dra of the present budget were som the most difficult he had kne and the decisins reached t account the fact that mo members of Parliament wished see the matter ended quickly.

The budget took account of th recent farm price fixing and th fact that agricultural expenditur was not being increased as mu this year as it had in the pas There was a moderate increas only in prices in the Dairy sector and the co-responsibility levy wa fixed at 2 per cent instead of 0. per cent.

If the object of rejecting th budget in December had been t contain agricultural spending, the it had been achieved.

There was to be an increase of per cent in non-compulsor expenditure and he felt that th increase should be devoted to th regional and social sectors and pa ticularly to areas of high unem ployment.

He urged Parliament to adop the budget so that they could star to spend the money to develop ne and existing policies.

Voting on the budget is to morrow (Friday).

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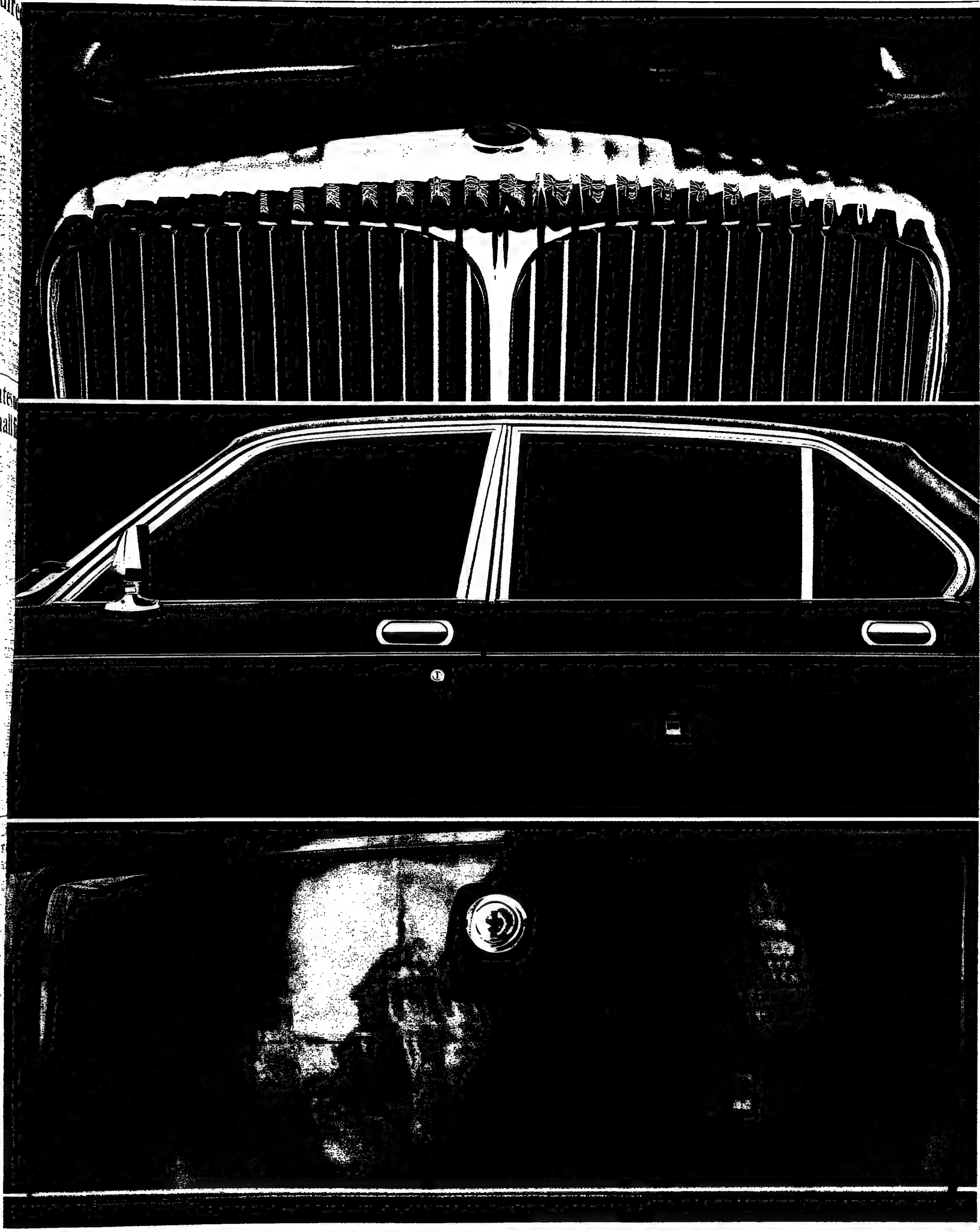


Martin Huckerby on the reasons for a crisis in the West End theatre

The box-office drama they can do without

A night out at the London theatre now has an added ingredient: an atmosphere of crisis, which is strengthened every time a show shuts amid *cries that its collapse is part of* the general malaise.

The seriousness of the position is disputed, and the traditional secretiveness of those running the commercial theatre ensures that facts and figures are rarely available. However it has proved possible to collect the audience figures for virtually all West End productions in one week earlier this month (see accompanying table).

In the week from June 9 to 14, about 171,000 people visited the West End theatre. It is an impressive total yet it means that only 66 per cent of the seats on sale that week were actually filled, the rest, something like 87,000 tickets valued at several hundred thousand pounds, were simply thrown away.

How serious is such a situation? A survey of all the impresarios with productions in the West End, plus many theatre owners and others involved in the commercial theatre, indicated general agreement that the West End theatre is in trouble, but disagreement over the reasons for this, and even greater disagreement over the action needed to remedy matters.

The latest preditions of gloom have come after the recent closures of shows like *Ipi Tombi* and *Chicago*, the impending closure of such apparently permanent features of the West End as *Jesus Christ Superstar* and the *Rocky Horror Show*, and a quota of flops such as *Umbrellas of Cherbourg* and *Barnardo*.

One reason for the current difficulties is that the theatre world has been anxiously waiting for summer, and the regular influx of free-spending tourists—and the tourists have not turned up. There are fewer tourists overall, fewer spending a lot of money, and particularly few Americans, who are traditionally the great supporters of the theatre. The strength of the pound, especially against the dollar, high inflation in Britain and fast-rising hotel prices have all deterred tourists.

The tourist boom, however, is a recent phenomenon: a decade ago, summer was a bad time for theatre business. As one theatre manager put it: "We have been very spoiled by the tourist business in the past few years. People got too complacent." Ray Cooney (responsible for *Not Now Darling*) believed the theatre was reverting to a bad period between May and July; Archie Stirling (*Born in the Gardens*) said he had a couple of shows on the stocks but would not bring them into the West End until the autumn.

The audience figures in the table do not show whether a play is making money, but the indications are not good. Many shows only break even with about 60 per cent capacity, and there are also discounts on many tickets, such as the "free child with adult" for *Oliver*.

Larry Parnes pointed out that although the audience for his musical *Chicago* had been 49 per cent in that week, discounts meant the financial "take" was under 25 per cent of the full value of the week's tickets. It is perhaps indicative on the underlying problems of the West End that so many impresarios said they were reasonably satisfied with audiences around 60 per cent, which hardly guarantee profits.

When a straight play, with one set and six or eight characters, costs perhaps £60,000 to mount in the West End (and a musical can cost £350,000 or more), impresarios find it hard to raise the finance. Several impresarios said regular investors—"angels"—could no longer afford to put money into shows. The risks were becoming too great, said Michael White (*Annie*; *Deathtrap*); the investors were backing away. Larry Parnes added: "We no longer need angels; we need saints."

There was almost universal condemnation of 15 per cent VAT on theatre tickets. Ian Albery, who both runs theatres and produces shows, said VAT was an admissions tax, on losses as well as profits. Its removal was terribly important but the Government would not listen, he said. "They are throttling us into the grave."

There was a general belief that people were put off theatre-going by the overall cost of a night out, because the fares and meal prices had risen faster than the price of theatre tickets. The general economic recession has contributed to the fall-off in audiences: "We are a luxury trade; people don't have to go to the theatre", said John Gale (*Private Lives*; *Middle Age Spread*; *No Sex, Please*).

Thus theatregoers buy tickets less frequently and also take less chances. Bad reviews can kill a play very quickly.

Several impresarios complained of the competition from the subsidized sector, especially the National Theatre. Some were worried that the theatres around London, at places like Guildford and Leatherhead, were drawing on the same audience as the West End but selling subsidized tickets at half the price.

Nevertheless the gloom can be exaggerated. A common complaint is that theatres are "dark" all over London, but the evidence does not bear this out. In the week of June 9-14, six theatres were shut: since then, one has reopened and another starts previewing a new show tomorrow night. Theatres are constantly shutting for periods but it is a tribute to the resiliency of the commercial sector that few stay shut for long.

Today there are four theatres closed on perhaps more than a temporary basis: the small Mayfair theatre, the Astoria, a recently converted cinema, and the Regent and the Westminster, both of which have had a somewhat irregular pattern of use over many years.

One answer to the theatre's troubles lies in the plans being drawn up by the Society of West End Theatres (SWET), although few impresarios seem to pin very much faith on the society, perhaps because it has always been hampered by the inability of so many competitive individuals to agree on anything.

Nevertheless, with 87,000 tickets unsold in one week, there is great scope for improving the marketing of theatre. SWET hopes to announce next month its plans for revitalizing the West End, and it is an open secret that the plans include a cut-price ticket scheme, along the lines of the TKTS scheme on Broadway, where a booth in Times Square offers half price tickets for that night's performances at any theatres which have not sold out. Other SWET plans include cut-price packages of rail and theatre tickets and joint promotions with tourist boards, hotels and big stores to attract the Americans back.

SWET is not the only organization with ideas for saving the West End. The proposals are myriad, including regular Sunday performances, rate relief, better box office service and more cooperative deals between theatre owners and impresarios in financing productions.

Many in the West End argue it is currently just going through a bad patch, and that good times will come again. A couple of impresarios even detected a substantial increase in business last week. But one or two believe the long term plight of the commercial theatre is desperate.

The view was put most strongly by John Gale, who said: "Theatre people are always supremely optimistic but I'm not sure they should be in the light of the tidal wave which is about to engulf them.

"I said 10 years ago that the commercial theatre in its present form had another 15 years to go; I think I'm bang on target." He feared the financial pressures on such a labour-intensive industry meant the only answer was government help, preferably in one large payment to the Theatre Investment Fund, although he thought few commercial producers relished seeking public money.

At present few impresarios are acting as if disaster is round the corner: most are talking about their plans for new productions in the autumn.

The West End is currently quite dependent on the subsidized companies, criticized though they may be: nearly half of the current productions originated in subsidized theatres. However there seem likely to be more commercial productions this winter, particularly American imports.

Among the shows planned are such Broadway musicals as *They're Playing Our Song*, *Barnum* and *Sugar Babies*; from Canada there should be Peter Ustinov's *King Lear* and Maggie Smith in Edna O'Brien's new play *Virginia*. Other musicals include *Colette Oklahoma*, and *Only in America* and among the plays are *Children of a Lesser God* from Broadway, Frances de la Tour in *Duet for One* and even a play with Joan Collins.

Theatre people always complain about newspapers talking of gloom in the West End, because they believe it discourages audiences. "People don't want to go to a funeral", said Archie Stirling. But it is worth remembering that the financial troubles of the producers can mean benefits for theatregoers: the crisis means seats are easily obtainable for some superb plays, and it has also forced theatres to keep prices as low as possible in order to entice reluctant theatregoers.

So people should not be discouraged by talk of gloom; the lights of the West End are still burning brightly.

What was on in the West End theatre in the week June 9 to 14, with the average percentage audience at each theatre.

Theatre	Play	Audience
Adelphi	*My Fair Lady*	60-65%
Albery	*Oliver*	60-65%
Aldwych	*Nicholas Nickleby* (previews)	71%
Ambassadors	*Motherdear* (closed) (now *The Hothouse*)	30%
Apollo	*Before the Party*	about 50%
Arts	*Dirty Linen* (now ended)	33%
Astoria	Shut (after end of *Ipi Tombi*)	—
Cambridge	*Chicago* (ends July 5)	49%
Comedy	*Rocky Horror Show*	about 60%
Criterion	*Tom Foolery*	about 65%
Duchess	*Private Lives*	80%
Duke of York's	*Rose*	100%
Fortune	*Dr Faustus*	not available
Garrick	*Deathtrap*	about 60-65%
Globe	*Born in the Gardens*	about 60%
Haymarket	*Make and Break*	about 80-90%
Her Majesty's	*On the Twentieth Century*	not available
Lyric	*Middle Age Spread*	70%
Mayfair	*Adam Darius Mime* (theatre now shut)	25-30%
National	Six plays in three theatres	91%
Palace	*Jesus Christ Superstar*	about 60%
Palladium	*The King and I*	90%
Phoenix	Shut (now *The Other Side of the Swamp*)	—
Piccadilly	*Piaf/Once in a Lifetime*	58%
Prince Edward	*Evita*	96%
Prince of Wales	*An Evening with Tommy Steele*	about 55%
Queen's	*The Dresser*	about 89%
Royal Court	*Hamlet*, (finished) (now *The Arbor*)	100%
Royalty	*Barnardo* (closing tomorrow)	about 30%
Savoy	*Not Now Darling*	about 50%
St Martin's	*The Mousetrap*	97%
Shaftesbury	Shut (*They're Playing Our Song* opens Oct)	—
Strand	*No Sex, Please—We're British*	44%
Theatre Royal, Drury Lane	Shut (*Sweeney Todd* opens next week)	
Victoria Palace	*Annie*	about 65%
Vaudeville	*Stage Struck*	not available
Whitehall	*Wot! No Pyjamas!*	evenings about 69%
Wyndham's	*Accidental Death of an Anarchist*	about 80%

The audience figures, including matinees, are those provided by the impresarios responsible for the productions; it is possible some estimates are a little high. No figures are available for three plays—the impresarios concerned would not disclose them—but it is not thought that the audiences for these shows are especially high.

Geoffrey Smith

Politicians take note: the class war is over

Class distinction in Britain is clearly not what it was, according to the survey by Opinion Research and Communication published in *The Times* this week. Only five per cent of all those questioned thought that class distinction and snobbery were most to blame for Britain's problems, and only 12 per cent considered class distinction and lack of equal opportunity to be serious problems at all. This removes one of the familar benchmarks of British politics and has implications for political personalities, rhetoric and policies.

The significance for policy is clearly the most important. To conclude from these findings that envy is no longer a force in British social and economic life would be absurd. The relationship of one group's pay to another's is a central factor. But it is the comparison with the person next door or in the next job that matters with most people rather than a generalized resentment against the inequalities in society. If this is so, it means that the majority of voters are looking not for a politics of gesture against the rich but for a politics of performance for themselves. Tilting against elitist windmills will simply seem irrelevant unless there is some evident practical benefit.

This can be applied to specific policies. It means that a Chancellor can safely reduce taxation on the highest income earners unless he is so foolish as almost to double VAT to pay for it. No matter that what really costs the money in Sir Geoffrey Howe's first Budget were the tax cuts lower down the income scale: *the impression* was given that VAT was going up so that the richest could pay less. But what caused the trouble was higher VAT, not the symbolism of high earners paying less. Within reason, tax cuts for them will not create too much of a flurry in the Britain of today.

Another example is the public schools. There is a great deal of anxiety about education at the moment. But what worries people is the quality of teaching and the strength of discipline in the schools that their own children are attending. How disturbed they are by unsuitable buildings and inadequate facilities varies from area to area. But the essential point is that for most people it is what happens in the state schools that matters. It is standards there that they want to be improved. Beside that consideration, schemes to undermine or even abolish the *public* schools are irrelevant. They belong to the politics of gesture.

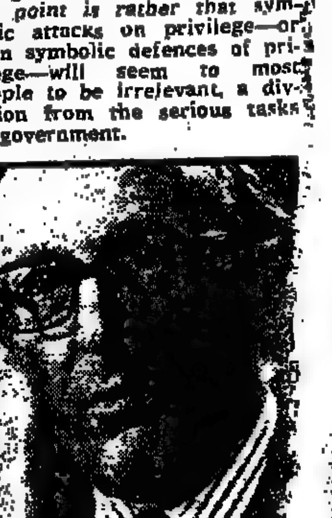
> Symbolic attacks on privilege will seem to most people to be irrelevant

Then there is the House of Lords. It is a British characteristic not to be particularly interested in constitutional analysis. We have prided ourselves for so long on having a constitution that is not written—and, one might add, not thought about much either, except in those limited circles given to such speculation.

It was a feature of the schemes for Scottish and Welsh devolution that, despite the passions aroused among the activists on both sides, the issue bored Parliament as well as the public. Even the great debate on the EEC never materialized in the way the protagonists had hoped and expected. British thoughts *on* the Community have in general never risen very much above the price of food.

So it would be surprising if the public were to take eagerly to detailed arguments on this case for dispensing with a second chamber. Nor are they likely to be much impressed with a policy for abolishing the House of Lords as a symbolic stroke against privilege. Privilege of that sort no longer seems to strike them as a particular problem—though it would, of course, be different if it could be shown to have directly unfavourable practical consequences. The abolition of the House of Lords would probably seem, therefore, to be beside the point.

I am not suggesting the converse: that great popular campaign could be mounted for cutting taxes on the rich, maintaining the public schools and saving the House of Lords—though I have no doubt that more votes are to be lost than won by trying to get rid of the public schools: those opposed would feel strongly, and most of those in favour would not give the issue top priority. *My point is rather that* symbolic attacks on privilege—or even symbolic defences of privilege—will seem to most people to be irrelevant, a diversion from the serious tasks of government.



Lord Carrington: no taunts of being the sixth baron.

There is a dilemma here for ambitious politicians. The familiar targets of the class war may still matter a great deal to party activists, and party activists may matter a great deal to politicians on their way to power. Within a party, especially within the Labour Party today, the symbols retain all their old potency. But politicians who concentrate on them run the risk of losing touch with the wider public.

This applies also to those Conservatives who concentrate their energies on preserving the private sector in education, without thought for the state schools, or who might be tempted to believe that the most important cause in British politics, is maintaining the House of Lords in its present form.

The decline in class feeling has also brought a change to the tone in which political debate is conducted. There have been occasional references to the fact that, despite having Mrs Thatcher at its head, this is really rather a patrician government. But nobody taunts Lord Carrington with being the sixth baron, in the way that Mr Harold Wilson poured scorn on Sir Alec Douglas-Home in the 1964 election for being the fourteenth earl. There is little talk of the grousemoor image. *Indeed, Lord Carrington*, Lord Soames and Sir Ian Gilmour are far from being the most contentious members of the present administration.

What this means is that the central political issue in Britain has become not how to resolve the old class distinctions but how to accommodate many different groups each jostling jealously for posi[illegible]

British Steel: waiting to hear the worst

> In the 10 years to March, 1980, BSC's sales rose five times to £3,500m, while in the same period a £10m profit became a £450m loss. No private company could sustain such losses. Peter Hill, Industrial Editor, looks at the corporation's plight . . .

Sir Keith Joseph's frank admission of the appalling state of the British *Steel Corporation's finances yesterday* was totally in character. Equally, the content of his admission should have come as no great surprise, for the corporation's problems have commanded more column inches over the past 18 months than any other single industrial issue.

The BSC, which accounts for the vast bulk of iron and steel production in this country, has been a lame duck for years and in the past year it has been driven to the point of expiration.

Indeed, technically the corporation is bankrupt and any company operating in the private sector would, under Companies Act legislation, have been obliged to cease trading long ago.

The abysmal financial performance of the BSC over the years has dogged both Labour and Conservative governments. But the disclosures made in Parliament by the Industry Secretary yesterday represent the most [illegible] cash crisis yet faced by the [illegible] The implications not just for the corporation, but for vast tracts of manufacturing industry and for the future of the Government's industrial policy are even graver.

Since last year's general election, the hallmark of the Government's industrial policy has been non-intervention and a progressive reduction in levels of industrial support in line with the Prime Minister's single minded attachment to pursuing a monetarist economic policy which has involved paring back the levels of public spending.

Sir Keith is now all but reconciled to digging into the state coffers and channelling about £400m through the contingencies Fund into the capacious jaws of the BSC later this year, to meet the estimated overspend beyond the government-set external financing limit of £450 million in the current financial year.

The Industry Secretary (with the support of Cabinet colleagues) is putting a brave face on the corpora*tion's cash crisis. However the long* awaited U-turn is now staring them in the face and it is difficult not to draw a parallel with the dilemma which faced an earlier Conservative Government nine years ago when Upper Clyde Shipbuilders collapsed, and soon afterwards arose Phoenix like in the guise of Govan Shipbuilders.

Of course Sir Keith and his colleagues are expressing their deep disappointment that the return to profitability has been set back to the BSC's next financial year at the most optimistic, and protest that it represents a delay rather than a change in policy. Furthermore the obligation to break even remain sacrosanct. But when?

Mr Ian MacGregor, the Scots-born and former American merchant banker who will take up his controversial appointments as chairman of thedebt-laden corporation next Tuesday has significantly not committed himself to the Government cashl imits for this year. He has already set in train a series of studies designed to identify the areas for improvement and exploitation of the corporation's business.

It is to Mr MacGregor that the Government now looks, but he faces a daunting challenge. It is now inevitable that more closures and job cutbacks will have to be implemented to ensure the survival of the corporation. The BSC is not alone among world steelmakers in the problems that it faces—rising costs, falling prices, intense competition from emergent steelmaking countries in the Third World, world overcapacity and its particular case, a disastrous loss of market share (still below 50 per cent) as a result of the three-month long strike in the first quarter of this year.

The American steel industry too is in desperate straits. A report commissioned by Congress to be published shortly suggests that unless the Government provides $5,200m annually over the next five years to *the beleagured American steel* industry, the United States could become as dependent on foreign steel as it now is on oil.

British steel consuming industries flocked to foreign suppliers during the strike and many of them were tied into long term supply agreements with those overseas companies. From being a prudent business policy, for many companies "second sourcing" has now become a vital necessity. That is business lost to the corporation, a loss which overlays the sharp down-turn in steel consumption by heavy users like the motor, engineering and shipbuilding industries who are themselves attempting to cope with the consequences of severe recession.

The BSC and the Government knew that this year was going to be tough. It was the need to become more competitive, drive up productivity and reduce costs which formed the basis of the retrenchment programme—a cutback of 50,000 jobs and a liquid steelmaking capacity of 15m tonnes (with a little more in reserve).

In last autumn's discussions with the Treasury and the Department of Industry on this years cash limit the BSC was expecting a loss in the first half of the current financial year and a profit in the second half. But the strike—which piled losses of £10m a week on top of the £7m being lost before the strike began—shattered that illusion.

By early March the BSC chairman, Sir Charles Villiers was expressing his concern publicly. "We shall be very, very pushed", he explained "to manage within our £450m cash limit for next year. We shall try to do this, but it will involve winding down certain of our activities."

But a month earlier he had warned Sir Keith that there would be large overspending although at that time *he was not asking for more money*. Indeed the BSC had already embarked on a billion pound crash programme of running down stocks, disposing of assets and cutting back investment. In the event that proved a woefully inadequate *reflex* to the deteriorating market.

Three weeks ago on June 6, the Industry Secretary received another letter from Sir Charles stating in bald terms that the BSC could no longer undertake that the excess over the cash limit could be offset by the remedial action taken. Unless, warned the BSC chairman, the Government agreed to a two pronged emergency package, there would be no alternative to liquidation. Sir Charles can only have been referring in the most general terms to such a precipitate step since the legislation under which the BSC operates precludes such action in the normally accepted sense.

The suggested course (and here it would seem Mr MacGregor's influence was exerted) was for the sale and leasing back of some of the corporation's assets and the factoring of home debtors. This would involve a factoring company buying the book debts of the BSC as a commercial operation and in effect contracting to run its sales accounting from the invoice stage onwards.

These ideas were firmly ruled out not least because of the corporation's abject prospects but also because such steps would simply serve to exacerbate the haemorrhage.

Furthermore, ministers want to await the outcome of the new chairman's assessment and, for the moment, are prepared to stand behind the corporation without committing themselves to a change in the cash *limit*.

Meanwhile, the BSC board met yesterday to consider a revaluation of its assets—foreshadowed two-and-a-half years ago—and involving a net write off of about £800m. This is the prelude to the introduction of new legislation in the next session of Parliament to carry through a capital reconstruction.

A huge burden rests on the shoulders of the new chairman and the social and political costs of his attempts to staunch the heamorrhage of the behemoth that is British Steel will be enormous.

WEST BANK DIARY

Of the 20,000 Jews now living *in Arab territories occupied* since 1967, by *far* the largest concentration are to be found at Kiryat Arba, a spartan cluster of ugly stone apartment blocks perched provocatively on the hilly outskirts of Hebron, the second largest town on the West Bank.

Bristling with security devices and bearing more architectural resemblance to a modern prison than a dream village, the settlement has an emotional appeal to an influential minority of Jews which — although often elusive to foreigners—is a vital ingredient in the present Middle East crisis. Most of its 4,000 residents have to do regular armed night patrol duty. All are faced with a hazardous 40-minute drive to the nearest friendly city of Jerusalem, but few would be prepared to vacate their homes without a violent struggle.

As is appropriate for a habitat whose name is first mentioned in Charter 23 of the Book of Genesis, the settlement is a magnet for Jewish fundamentalists and for those with an unshakable belief in the God-given right of Jews to live among and exercise sovereignty over the 60,000 Hebron Arabs. Although the town is holy to both Muslims and Jews, the present-day Jewish residents of Kiryat Arba feel they have the greater claim to it and appear to take little long-term note of the implacable hostility of the local *Palestinians*.

Arriving last week to meet a settler who first arrived in Israel from North London 18 years ago, I was buttonholed by an elderly man clutching two colour photographs. "If you want to see what life is like for us, take a look at these", he said, sensing immediately that I was one of the few outsiders who now visit Kiryat Arba. The snapshots showed a heavily pregnant Jewish housewife posing in the sunshine with an Uzi submachinegun slung over her shoulder. "She was on her way to do the shopping — we all have to know how to defend ourselves", the man said by way of explanation.

Upstairs in her cramped, book-lined flat, Mrs Rachel (nee Pamela) Klein explained what had brought her from London to a town now regarded as the focal point in the explosive conflict between Arabs and Jews. "From the age of eleven I realized that this was my home", said Mr Klein, now in her mid-forties. "Jews have a right to live in Dublin, London and Paris, so surely they have a right to live in the second holiest Jewish city in the world." The conversation was frequently interspersed with quotations from a well-thumbed copy of the *Torah*, all designed to prove Jewish rights to a town traditionally regarded as the burial place of the three patriarchs, Abraham, Isaac and Jacob, and their wives.

In contrast to the lady shopper, Mrs Klein claims never to carry a gun—but as a founder member of the ultra-nationalist Jewish organization Gush Emunim (Block of the Faithful), there is little doubt that she would use one if necessary. Sipping a cup of English tea, Mrs Klein explained her own vision of the future in a town which has already seen more than its share of bloodshed this year. "What Joshua said still holds good today", she declared. "We are saying to the Arabs that we are coming to this land and that if they want to follow our way and be at peace, they are welcome. If they want to leave in peace, we will not hurt them; but if they want to stay as our enemies we will fight them. It was a paraphrase I was to hear repeatedly while touring the heavily fortified settlement.

By not openly advocating the expulsion of the 700,000 Arabs now living in the West Bank, Mrs Klein was taking a more moderate view than some of her fellow settlers in Kiryat Arba—notably followers of the extreme Kach (Thus) movement headed by Rabbi Meir Kahane, a fanatical immigrant from Brooklyn who previously caused trouble in America with his Jewish Defence League. At present under administrative detention for his part in a terrorist plot against Arab holy places, he is confidently *expected back at his settlement* home in a few months time.

Like many of the hundred-plus Jewish settlements which have mushroomed in the occupied territories, Kiryat Arba had inauspicious and disputed beginnings. The roots were sown soon after the Six-Day War when seven Jewish families took over the small Park Hotel in Hebron for the week of Passover.

Ironically the hotel was owned by the family of the recently-expelled Palestinian mayor, Fahd Kawasme—but the Arab management was unsuspecting of the intentions of the Jews, who were led by a young Jerusalem Rabbi, Moshe Levinger. Privately, the families had planned in advance to return permanently to Hebron where no Jews had lived since the small community fled after the massacre of 59 of their number in 1929.

Israel's Labour government of the day ordered the potential settlers to leave the Arab hotel. They refused, believing the authorities would not want the spectacle of Jewish soldiers fighting against Jews. As a compromise they were then offered temporary lodgings in a nearby army compound. There they stayed for three years until another engineered confrontation with the authorities led the government-backed founding of Kiryat Arba in 1972. "Now we are as legal as Tel Aviv", Mrs Klein said.

As befits members of an organization founded with the express intention of maximizing the Jewish presence in the West Bank (or Judea and Samaria, as they insist on calling it), the original settlers now profess to be profoundly discontented with their lot. "Our dream was to return to the very centre of Hebron, not here on the outskirts. Also we were promised a town for 60,000 Jews and we have not got it", said Baruch Nachson, a bearded religious artist who took up painting after a marathon session reading the Psalms. "But we have a promise from the Creator and a patience stretching back 3,000 years, while the Palestinian refugees only have a patience stretching back 32."

What some Israelis would see as the same tactics which saw a holiday week in a rundown Arab hotel grow into a sprawling urban settlement are now being employed in the Hadassah building, a former clinic in the bustling centre of Hebron where about 40 Israeli women and children have been squatting illegally, but quite undisturbed by the Israeli authorities, for more than a year.

The move has been a classic example of the way in which leaders of Gush Emunim can play on the reluctance of the Government to turn its own security forces against fellow Jews: now, far from being threatened with evacuation, the Hebron women have army-supplied water, an army-supplied communications network, round-the-clock protection from score of soldiers and a pledge from the Cabinet to legalize the squat with the addition of a Jewish religious college to be built on the roof of the battered building.

Again one of the organi[illegible] has been Rabbi Levinger, who now lives in a single room [illegible] the former clinic with [illegible] Brooklyn-born wife, Miriam, and their 10 children. "We are simply bringing the Jewish people to an understanding of the truth", he told me.

Heavily-armed soldiers were on guard duty outside. Opposite was the gaping hole left after the Israelis dynamited 16 Arab shops and houses after the ambush which killed six Jews entering the building last month.

The 44-year-old rabbi contemptuously dismissed the notion that the expected return of the Labour opposition at the next Israeli general election would somehow blunt the Gush's relentless pursuit of its expansionist settlement programme.

"Remember that it was under Labour that Kiryat Arba was first founded", he said. "Between them, there is really not much difference on an issue like this—no one on either side wants a Palestinian state here. We are simply bringing Israeli governments, whatever their political complexion, to the truth."

Christopher Walker

TIMES PAST THE TIMES
New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

NSOLVENCY OF STEEL

'esterday in the House of nmons, Sir Keith Joseph ectively stated that the British el Corporation was insolvent. will now continue to do busi-s on the explicit understand- that the Government itself umes responsibility for ensur- that the Corporation's cre-ors will be met in full. The e of the Secretary of State's ement was firm and uncom-mising. The BSC was tonished for not acting with icient speed and determina-. The present chairman's posals for raising extra funds ide, the regime of cash ts were turned down firmly he grounds that they would postpone the day of reckon-

he reality of the situation, ever, is that Sir Keith's state-t was merely an attempted ing operation in the face of t amounts to a catastrophic ation for steel. The hope that discipline of a cash limit of m for the current financial would exert a rigid com-cial discipline on the BSC proved quite illusory. That osed limit on the amount of a money that the Government prepared to authorize from rnal sources for the BSC has simply been overwhelmed by events—the huge financial consequences of the steel strike at the beginning of the year, the continuing slump in domestic and world demand for steel as the recession gathers way and rising production costs.

As to substance all that the minister was able to say was that a winter supplementary estimate would be needed in order to advance more money to the BSC in the course of the year and that, if this need was very urgent it could be done on a temporary basis without such an order by raiding the public spending Contingencies Fund. Meanwhile his only option was to await the arrival in office of the new chairman next month and the presentation of his emergency plans to the Government. In short the buck is firmly being passed back to the BSC.

To give the departing BSC chairman his due at the end of a bitter term of office, all the evidence is that he saw the nature and the scale of the run-down that was needed in British Steel as the market just fell away during 1979 much more clearly than most members of the Government. His manner and presentation may have counted against him, but his analysis was realistic. His successor will, broadly speaking, have to continue down the same road.

The two elements of that strategy must be these. First, the steel making capacity of the BSC must be reduced until it is brought much more nearly into balance with the demand in the market. Steel is not a service. It is a product that has to be sold. The rate of contraction required in some areas is still not widely appreciated, even within the Government itself. The second element is that the monolith that is the BSC must be broken down into units that can be managed and with which those involved can identify. A high proportion of the problems that the BSC has faced in recent years stem directly from the fact that the Corporation is one gigantic legal entity with the resulting over-centralization. In combination these elements suggest for the new BSC chairman a programme of breaking up the BSC's activities by keeping those facilities which show some chance of operating on a commercially viable basis and closing down or selling off the rest.

'AIN MOVES TOWARDS NATO

ne issue of Spanish member- of Nato has now been ught out into the open, and er earlier than had been ected. It had been thought because of the sensitivity of issue in Spain, where the alists and the Communists opposed to Spanish entry, r Suarez's government ld not raise it before next 's European security confer- in Madrid. But earlier this th Señor Oreja, the Foreign ster, announced that Spain d be applying for member- of Nato and that he hoped mplete the process by 1983. in his speech in Madrid on nesday President Carter farther than the United s has done before in urging ish membership. The Ame-s recognized, he said, that was a decision to be taken y and exclusively by Spain: hey hoped that Spain would ts interests served by par-ation in the collective nce of the West.

e Spanish government's sion to press the issue now ears to be partly the result e vote in Parliament earlier month, when it had little culty in defeating a censure on put forward by the Social- It hopes to get a similar majority for entry to Nato, especially as there are signs that the Socialists, who are demanding a referendum on the issue, may be weakening in their opposition. But there is also a broader consideration, which is the difficulties now being raised by France and, to a lesser extent, West Germany over Spanish entry to the European Community. The intention had always been to tackle the question of Community entry first, because it is less controversial in Spain, before turning to Nato. But it is apparently thought that the difficulties with the Community can be eased by applying to join Nato now and so emphasizing the broader issue involved, which is the reintegration of Spain into the mainstream of Western affairs. As Señor Oreja put it, it would be absurd for Spain to join Nato if it was kept out of the European Community.

The issue of Spanish entry to Nato is also being linked with Gibraltar. There are members of the Spanish armed forces who regard any Nato presence at Gibraltar as an insult to Spain, and Señor Oreja has said that Spanish entry to Nato could be delayed if there was no satisfactory solution there. It is to be hoped that in spite of delays in carrying it out, the recent Lisbon agreement can meet that demand.

Spain has had a defence agreement with the United States for many years, one that expires next year and which the Americans are anxious to renew. In spite of that, a decision to join Nato by a country of Spain's size and strategic position would be an event of considerable significance; and the Soviet Union has made it clear for some time that it is opposed. So the question of Spain's association with the West, and whether it should not follow a policy of non-alignment, is likely to be thoroughly debated in Spain; and it is still not clear whether the Spanish will want to be full members of Nato's military structures or have a position more like France's. There would be obvious advantages to the Nato command from Spanish membership—the presence of its Navy in the western Mediterranean, for instance, and the facilities it could provide for air and sea links across the Atlantic. But the West's primary need is a political one—to consolidate Spanish democracy and to reinstate Spain, after its long absence, as a full participant in its affairs.

LF-REGULATION AT LLOYD'S

t elite club in Lime Street in City known as Lloyd's, which pite everything maintains its tion as the world's leading most effective insurance ket and whose underwriters e themselves on taking risks lesser mortals would con-r to be sheer folly, will never quite the same again. The s are going to be changed significantly they have been ritten by a committee ded by an outsider, Sir ry Fisher, an eminent legal re with wide experience in City. Equally important, yd's has decided to publish inquiry's findings.

our years ago, when the rest the City was licking its nds after the secondary king crisis and a number of ulatory scandals, Lloyd's ulged in a mood of self-con-tulation on having come ough unscathed. That proved e an illusion. Quite suddenly yd's outdated administration confronted with a row over eign ownership of broking nbers, unseemly public rrelling between brokers over so-called Savonita claim and er disputes, including the infamous "Sasse affair" in which a number of Lloyd's underwriting names dispute claims made against them.

The system by which members of Lloyd's were expected to obey largely unwritten rules and to toe the line set by the Committee of Lloyd's made up of sixteen members including the chairman, could not cope. It made a number of defensive and irrational decisions on the complex issues which it faced, and in the end had little alternative but to commission an inquiry. The public disquiet and the damage being caused to the market's international reputation could not be ignored.

The effect of adopting the Fisher inquiry's recommendations—which at this stage the Lloyd's hierarchy seem prepared to accept—will be to strengthen self-regulation in the market by imposing a new structure which would bring outsiders onto a new overriding Council of Lloyd's. It in turn would be responsible for creating distinct disciplinary and executive functions. Whether this will work satisfactorily remains to be seen. Much will obviously depend on the quality of the three outsiders who will sit on the twenty-five-strong Council. But the alternative, some sort of regulation from Whitehall, is not necessary, though the inquiry is right to have insisted that the Governor of the Bank of England should approve the outside representatives.

Another tranche of Fisher's recommendations deals with financial links between brokers and underwriting members. Most leading Lloyd's broking firms also control underwriting agencies, a practice which has developed over the years and reflects the loose administration and regulation which led to the present situation. Fisher says no further links should be allowed and that existing ones should be broken within five years. This must be right. Such duality leads to a conflict of interest between the shareholders and clients of brokers and the investors who put up capital for underwriting syndicates. It is not a new idea though. Lord Cromer in an unpublished report on Lloyd's ten years ago recommended the same thing. Fortunately Lloyd's has now accepted that it has to be accountable to the public which uses its services. It simply cannot afford to brush Fisher under the carpet.

nguage and liturgy

m Mr David Tyzack

I wonder how many other istians share my feelings over continuing squabble over the rgy?

am presumably sickened by the er utter irrelevance of this dis-e. We worship God to give Him asure not to satisfy or ingratiate selves, and whether we worship n by using a liturgy with old-ioned language or a liturgy in dern English or even no liturgy all, could not possibly matter .

am also very concerned that breath of renewal which God plainly breathed into the rch over the last ten to twenty rs should not be lost in a wholly elevant and academic debate. Christians must, in my opinion, more concerned and involved in world and its problems. We st learn to put aside our pro-ection for internal bickering and on with the job of building the dy of Christ on Earth in love and mility.

urs faithfully,
VID TYZACK,
ebe Lodge,
ningdon,
eter, Devon.

verseas student's fees

om Professor G. Jackson

r, The Bishop of Mauritius draws tention (June 17) to the deterrent fect of high university fees in Mauritian students. Although appearing to argue that a population of almost a million cannot support a university, Bishop Huddleston must be aware of the University of Mauritius, created in 1965. Like the College of Agriculture from which it sprang, the university has received and will, I hope, continue to receive support and encouragement from the United Kingdom. I feel sure it is not the Bishop's intention to belittle or discourage its work or the work of its neighbouring Institute of Education. Nevertheless, so small a country cannot support the full range of university activities. It will for example be a long time before a School of Medicine can be created.

The many generations of Mauritian students passing through United Kingdom universities have earned a high reputation. It is unfortunate for us that the feeling is spreading back to Mauritius that students are no longer welcome here. So they go to France.

Yours faithfully,
G. JACKSON,
Department of Mechanical Engineering,
Brunel University, Uxbridge.

Good husbandry

From Sir John Boyd

Sir, Would you be gracious enough to correct the wrong impression that your front-page article (June 23) could create.

Because of our union's almost unilateral practical opposition to the original anti-trade union legislation our healthy finances were drained so much that in 1975, when I became general secretary/treasurer, I inherited a four-year-old overdraft which had never been less than £1.25m.

Within a year I eliminated this, and since then by careful stewardship we now have over £10m invested. Additionally our property, if revalued, would be worth another £20m.

It is only because a number of recent major disputes, coupled with increased national and international affiliation fees, necessitated us finding £1.9m within two months that we have arranged what indeed is normal commercial practice, ie overdraft facilities, all of which we may or may not take up, of £900,000. It is not a loan as you report.

I am sure your readers will appreciate that I would be a poor treasurer if I had £1.9m lying around in either a current or deposit account when indeed it could be invested in much more lucrative sources.

Our union finances are quite firmly secure, and our membership is now the highest in our history, 1,232,000.

Yours sincerely,
JOHN BOYD,
General Secretary,
Amalgamated Union of Engineering Workers.
110 Peckham Road, SE15.

LETTERS TO THE EDITOR

Britain, the PLO and the Zionists

From the President of the Zionist Federation and others

Sir, It now appears that the policy of the British Government is to secure the establishment of a Palestinian state under the control of the Palestine Liberation Organization.

This is clear from the EEC declaration at Venice and from the gloss that Mrs Thatcher put on it in the House of Commons (June 16). It is a policy to which the Jewish people throughout the world are implacably opposed. The British Government and the other EEC governments should realize the depth of Jewish feeling and our determination to fight the policy in every possible way.

Mrs Thatcher justifies Palestinian self-determination by saying that what one people has cannot be denied to another. Our opposition to the PLO and its creed springs from its denial of self-determination to the Jewish people of Israel while claiming it for themselves in the whole of Palestine. As Mrs Thatcher must have known, Al Fatah, the so-called moderate group in the PLO, only a week before the Venice meeting, had repeated the intention to eliminate Israel in the most explicit terms.

It is a grim irony that West Bank settlements are characterized as "a serious obstacle to the peace process", while the frequently avowed PLO policy to destroy Israel is ignored by the peacemakers of Venice, an evenhandedness in which the arm that should acknowledge Israel's view of reality is apparently paralysed.

The EEC declaration contains all the implications that Mrs Thatcher and her colleagues claim to have excluded. It does undermine Camp David. It does inaugurate the drive to replace UN resolutions 242 and 338. And in according the PLO a new status despite its terrorism and its declared policy to destroy Israel, it promises the unconditional recognition that the PLO and its supporters have long sought.

We know how the people of Israel would respond to any attempt to force on them a Palestinian state in the circumstances foreshadowed at Venice with the PLO confirmed in their designs and with anti-Zionist majority of the United Nations—a piece of macabre humour this—providing "guarantees". The experience of our people forbids us to accept meekly so dangerous a threat to the existence of Israel.

Nor is it in British or European interests to seek stability in the Middle East by appeasing the Arabs and signalling clearly to the Jewish people that survival of the State of Israel is not a matter of great concern.

For too long the Arabs have tried to obtain their kind of peace by proxy. Arab oil and trade are important but if Britain and her friends imagine they can impose the Arab *diktat* on Israel in order to obtain favour they are making a disastrous error.

The EEC document issued at Venice does not contribute to increased stability in the Middle East. It would make the whole area even more unstable—another powder keg, in Mr Callaghan's words—and risk the safety of a large part of the Jewish people only a generation after the Holocaust. Sadly, a British Prime Minister and a West German Chancellor have put their names to it.

Yours truly,
JANNER,
President,
GEOFFREY H. GELBERG,
Chairman,
SIDNEY L. SHIPTON,
General Secretary,
BEATRICE BARWELL,
MALVYN BENJAMIN,
HARRY DAVIES,
CLIVE FEIGENBAUM,
JOE GELLERT,
ERIC GRAUS,
BRENDA KATTEN,
AB KRAMER,
IVOR LEVENE,
ABRAHAM MARCUS,
GEORGE H. TRENTER, and
NATHAN VENGROFF,
Honorary Officers and Chairmen of Committees,
Zionist Federation of Great Britain and Ireland,
Rex House,
4/12 Regent Street, SW1.
June 23.

From Sir Anthony Nutting

Sir, When Mr Eban (June 13) asks why Europe's diplomats have played such an unimpressive role over the West Bank, he is posing a pertinent question—one that has often been raised from the Arab side as well. But "the reasons for this detachment" are not those which he supplies. They are first, that it is America, not Europe, that holds the key to peace; second, that America remains committed (for reasons of domestic party politics) to a policy of gross partisanship for Israel; third, that the Europeans do not wish to be associated with this policy for reasons not only of self-interest but also of morality; fourth, that America, at the bidding of Israel and its sympathizers, has deliberately sought to keep a monopoly of peace-making within its own hands, excluding from the peace process not only Europe but also the other super power; and fifth, that if Europe had tried to play a more effective role, it was bound to have taken a more even-handed line than America has done and hence was bound to be black-guarded by Israel and its Zionist supporters.

Given Washington's irresponsible commitment to Israel, any independent European initiative was certain to result in estrangement between Europe and America, as has now happened. It is certainly arguable that Europe should long since have braved the combined wrath of Washington and Israel. But its reluctance to do so is understandable and certainly less dishonourable than Mr Eban makes out.

He repeatedly asserts that the present attitude of Europe is dictated by parochial and mercantile considerations, in particular an interest in oil supplies and in markets for European arms. Of course arguments of self-interest do weigh with European, as with other, governments. But Mr Eban is less than just if he does not concede that a belated understanding of the suffering and injustice inflicted on the Palestinians by the policies that Israel has pursued since it was created are also a significant factor in Europe's change of attitude. There is now a genuine feeling abroad in Europe that something must be done to redress this suffering and injustice, as far as may now be possible. That feeling has been intensified in recent years by the blatant folly and wrongdoing of Mr Begin's government in the West Bank and Gaza. But the feeling had taken root in Europe before he came to power.

Yours faithfully,
ANTHONY NUTTING,
21 Collingham Road, SW5.
June 24.

Spouse's property interest

From Mr David Green

Sir, The effect of the House of Lords decision in *Williams & Glyn's Bank Ltd v Boland* is that no one can now safely buy property until they have discovered exactly who is cohabiting with whom in it; and have obtained disclaimers of equitable claims from everyone who is not to execute the conveyance or transfer and thereby give a receipt for the money.

This chaotic by-product of an honourable attempt by the courts to plug yet another gap in family property law is an inevitable consequence of politicians funking the task of creating a comprehensive code: unlike those issues which fall on strictly party lines, where the intervention of the courts is regarded as impertinent, Parliament has been all too willing to let the courts legislate for the vast numbers of people affected by family property disputes, knowing that no rule there can be universally popular or acceptable within any party.

This cannot go on. The machinery available to the courts is wofully inadequate to the task. The issues have been referred back to the Law Commission; and the Government should make sure that the preparation of detailed recommendations has urgent priority, and that legislative time is available as soon as they are forthcoming.

Yours faithfully,
DAVID GREEN,
Rhyd yr Harding,
Castle Morris,
Haverfordwest,
Dyfed.
June 21.

Play publicity

From Sir Roy Shaw

Sir, Your presentation of the latest stage of the fracas about *A Short Sharp Shock* is, I'm afraid, highly misleading. It makes it appear that the Arts Council is at odds with Mr Norman St John-Stevas, by saying that we think the piece passable satire, whereas he considers it "deplorable".

It was the publicity which the minister (in my personal view, rightly) found "deplorable". He had not seen the play itself, but our officers and advisers have seen it, and hence they have an advantage over Mr Teddy Taylor, MP, who condemned the play unseen.

Your report (June 24) also gives the impression that the Arts Council is not concerned about the need for plays to conform to the law and the normal constraints of propriety. In the statement you were reporting we made it clear that this responsibility rests with the boards and direction of the companies concerned.

Yours faithfully,
ROY SHAW,
Secretary-General,
Arts Council of Great Britain,
105 Piccadilly, W1.

Picasso and Dali

From Dr D. W. Phillips

Sir, Perhaps Mr Brian Crozier's letter (June 24) was written tongue in cheek, but, to paraphrase Henry Fielding, I should imagine that until he produces the authority by which he is constituted judge of Picasso and Dali, neither of them will be vastly concerned to plead to his jurisdiction.

Yours truly,
DAVID PHILLIPS,
1 Post Office Cottages,
Shottenden,
Canterbury, Kent.

Mathematics of teaching

From Mr J. H. Howard

Sir, I have been the head of a large, and successful school mathematics department for a long time. During the last four years my Burnham salary has increased, on average, by less than eight per cent per year. Each year, for four years, my real salary has been decimated, and my pension will be savagely cut by the compounded reduction.

My post is the peak of the teaching career, as the young honours mathematician sees it. He has to be very dedicated to ignore what Burnham has done to his prospects (Letter, June 16).

Yours faithfully,
J. H. HOWARD,
23 Shakespeare Road,
Hanwell, W7.
June 19.

Merely players

From Mr John E. C. Tupman

Sir, Mr Francis W. Cuddy's suggestion (letters, June 24) for an appropriate remedy for a disgruntled batsman is inspiring. Unfortunately the industrial tribunal does not have jurisdiction to entertain applications for "wrongful dismissal" which is the domain of the civil courts. Even given an application for "unfair dismissal" over which the industrial tribunal does have jurisdiction, I regret to say that the aggrieved batsman would have to have been at the crease for a period of at least 52 weeks and he would then be entitled to receive written reasons for dismissal from the umpire.

Yours faithfully,
JOHN E. C. TUPMAN,
29 Bowling Green Street,
Leicester.
June 24.

Zimbabwe's need of generous aid

From the Reverend K. G. Spence, SJ

Sir, *The Times* reported (June 11) that a Zimbabwean delegation led by the Finance Minister, Mr Enos Nkala, had recently visited London. It sought a substantial increase in financial assistance, over and above the £75m to which the British Government is committed in aid to Zimbabwe over the next three years. The increased sum would be a contribution towards the cost, not only of buying land in Zimbabwe on which to settle refugees, displaced persons and people living in overcrowded rural areas, but also of developing the resettled land. Your correspondent reports Mr Nkala as speaking of a total programme extending over some 18 years and costing about £670m. It is not known how large a contribution he asked for from Britain: but he is said to have been told his request could not be met.

Payment of compensation, principally, of course, to white owners, for land acquired for resettlement, accords with the wishes of the British Government which were embodied in the Lancaster House agreement. The Zimbabwean Government is evidently concerned with the honouring of its commitments in the matter of land, under that agreement, distasteful though these commitments were to some of its supporters.

As a priest now on leave in this country but just about to return to Zimbabwe, I was encouraged to read in your report that Britain has undertaken to discuss ways of raising additional funds. It is to be hoped very ardently indeed that efforts by Britain and her western associates to help Zimbabwe will be great and successful. Dr Kissinger's settlement plan of 1976 held out the prospect of an international trust fund to ensure Zimbabwe's future economic development. The Anglo-American proposals of the following year included a development fund. Sums considerably greater than anything now known to be on offer would surely have been involved and were even, I believe, mentioned. If the West's present performance falls notably short of the generosity implied in its past language, there should be no surprise if Zimbabwe's reaction is one of cynicism and future mistrust.

After the 1965 unilateral declaration of independence, Britain claimed the authority of a colonial power in Rhodesia. It was in face of her incapacity to exert her authority, to end the rebellion and to achieve the majority rule which British Governments themselves proclaimed as a policy aim, that Zimbabwean nationalists saw themselves as compelled to launch the armed struggle. In these circumstances, I submit that Britain's sense of coresponsability for the postwar reconstruction of Zimbabwe should be strong.

The country needs and deserves help. After a long and destructive war, it is, apart from the resettlement of refugees, faced with such problems as the maintenance of internal peace, and that expansion of the economy which is necessary, not only for the prosperity in general, but also to absorb into peaceful and constructive employment the wartime fighters. Administrative, health and education services must be provided, particularly in the deprived and war-torn rural areas. Agriculture must be built up so that the country can feed itself, and, one would hope, even help its needy neighbours.

Indications are that Zimbabwe is settling down to such tasks and has succeeded in eliciting the cooperation in them of voluntary agencies, including the churches. The balanced and conciliatory attitude displayed since independence—the absence, for instance, of vindictive executions and imprisonment—includes openness to the West and to what may be considered some of its best political values. An ungenerous response from the West to Zimbabwe's acute needs could compel such a turning elsewhere for aid as might entail, regrettably, a weakening of the openness mentioned and, eventually perhaps, trouble and cost to the West, exceeding the extent of aid now being sought from it.

Yours faithfully,
K. G. SPENCE, SJ,
Jesuit Missions,
11 Edge Hill, SW19.
June 24.

Public expenditure cuts

From Mr Michael Stewart

Sir, Quite apart from the fact that what he rather immodestly dubs as "Hague's Law" has been known to economics undergraduates for the past 20 years as "the relative price effect", Professor Hague's article "Why the public expenditure cuts must go on" (June 20) seems particularly perverse.

The essence of Professor Hague's argument is that productivity rises by perhaps 2 per cent a year less in the public sector than in the private sector; that if the "output" of the public sector, as a percentage of national output, is to stay the same this must mean a rise in the percentage of the labour force in the public sector and a rise in the percentage of the national income collected in taxation; and that this being (by assumption) disastrous, "we must transform the public sector, raising productivity where we can and abandoning entirely or making private those activities where we can not".

As Professor Hague must know, the fact that productivity rises more slowly in the public sector than the private sector is not a "fact" but a statistical convention: the "output" of nurses or teachers not being measurable by watching what comes off an assembly line in the same way as the output of car workers, it is measured by inputs—ie the number of nurses or teachers. Thus if the "output" of nurses or teachers is to increase—which most people would regard as reasonable if the total output of the economy increases overtime—more nurses and teachers will be required. (More cars, by contrast, can be produced by fewer workers). Thus the wage bill for nurses and teachers—unless their incomes are to fall increasingly behind other people's—will rise as a percentage of national income, and so will the taxes needed to pay for them.

Because Professor Hague does not like this idea, he calls for an increase in productivity in the public sector. What does this actually mean? Primary teachers with larger classes? Nurses with more beds to look after? That is not an increase in productivity: it is a decline in the quality of service.

Therefore, according to Professor Hague, these activities must be abandoned entirely, or made private. No more state education, presumably, and no more National Health Service. If that is what Professor Hague means, he ought to say so.

Yours faithfully,
MICHAEL STEWART,
Department of Political Economy,
University College London,
Gower Street, WC1.

Christian sexual ethics

From Mr Antony Grey

Sir, I never fail to be astonished at the celerity with which Christians rush into the pulpit and the letter columns of *The Times* to tell the rest of us how we ought to behave, and above all what our sexuality is "for".

Mr Longley (June 9) made the telling point that the churches are no longer closely identified with the moral conscience of society; increasingly they talk in a vacuum, and seem oblivious to where the shoe really pinches. Yet, as your leading article of June 5, emphasized, the churches' influence still extends—for good or ill—far beyond their immediate membership.

This, surely, should impose upon them a special responsibility to listen long and carefully before making pronouncements which inevitably must affect the social atmosphere in which we all have to live. Yet Canon Bentley (June 17) and Dr Dominian (June 23), are different organ grinders with the same old tune. Both appear to think that the nub of the problem, for Christian ethics, lies in the (to them, lamentable) divorce of the procreational from the relational aspects of sex. Dr Dominian, indeed goes so far as to grudgingly acknowledge that sex also has a recreational dimension, only to dismiss this as sub-Christian—at least when it is separated from an on-going relationship.

Perhaps your correspondents would tell me how anybody can judge the "meaningfulness" of someone else's relationships, transient or otherwise? Twenty years' work as a counsellor of people experiencing difficulties connected with their sexuality has convinced me that, far from lack of sexual guilt being at the core of the problem, it is just the opposite condition—a morbidly excessive degree of guilt engendered by traditional Christian attitudes towards bodily desire and its fulfilment—which still infests our miscalled "over-permissive" society and causes an incalculable amount of human misery. In my experience deprivation, not depravity, remains the prime sexual problem for all too many people.

Christianity has for most of its history made the best the enemy of the good in this matter, and all too many of its most vociferous adherents still seek to do so. Thankful as I am that topics such as homosexuality and divorce are at long last beginning to be discussed with a shade more realism and charity by some church people, the shrill cries of horror and disgust emanating from others do not encourage any strong hopes that the Christian leopard will ever really change its spots.

Yours faithfully,
ANTONY GREY,
90 Uplands Road, N8.
June 23.

Farming and the banks

From Lord Elphinstone

Sir, Hugh Clayton (article June 20) quoted Mr Pettitt, of Lloyds Bank, as saying that our agricultural industry is less heavily borrowed than the farming industries of Germany, Holland and France.

This was one of the reasons he gave to dismiss the concern felt about the level of bank lending to agriculture. Such a comparison is surely not relevant, given the dual differences of very much higher interest rates in the United Kingdom, and of a considerably less profitable agricultural industry in this country compared with the others he cites.

He reports that British agriculture now has less of Lloyds Bank lending than 10 years ago. This bank's lending policy to agriculture over this period I do not know; however, farmers have over this decade turned increasingly to long term loans from such organizations as the Agricultural Mortgage Corporation, rather than the banks. None the less it was reported in the Scottish farming leader in December last that bank lending for current farming purposes had risen 33 per cent in the previous 12 months.

Figures such as this last one should give grounds for concern. Will Lloyds Bank continue to lend to an industry which, given current profit margins and interest rates, finds it hard to service this debt, let alone repay it?

I remain, Sir, yours faithfully,
ELPHINSTONE,
Fuldean Farming Limited,
Fullarton Farm,
Meigle, Perthshire.
June 20.

Professor Sir Max Beloff

A letter we published yesterday purporting to be from Professor Sir Max Beloff, FBA, was not written by him. We apologize to Sir Max, and to Mr A. J. P. Taylor, FBA, who was mentioned in the letter, for any embarrassment we have caused them.

FOREIGN REPORT

Elephant and rhino endangered by well-armed poachers

The habit of killing, once acquired, is not easily broken. For the game poachers of East and southern Africa slaughter continues to be a way of life—though now made more efficient by the use of modern weapons, the small change of guerrilla warfare.

The African elephant and black rhino are facing extinction, despite a proliferation of campaigns to save them. However energetically and efficiently the international conservation establishment may mount its appeals, they are no match for rockets and automatic rifles; and the guerrilla tactics that proved so successful against regular armies have served the poachers well.

Five years ago the population of the African elephant, over a range of about 3,000,000 square miles and 34 countries, was estimated at 5,000,000. A recent report to the New York Zoological Society put the numbers at about 1,300,000, a decline of about 75 per cent. Poaching is almost entirely to blame.

According to the World Wildlife Fund (WWF), aerial surveys show that the numbers of elephants in Uganda's Kabalega National Park, once one of the most densely populated in Africa, have dwindled from 9,000, 10 years ago, to 160.

Dr Iain Douglas-Hamilton, the leader of the survey, wrote: "The surviving group was found clustered in one big terrified herd that kept moving day and night, unable to find refuge and shedding corpses like leaves along the trail".

A similar survey in Rwenzori National Park, on the Ugandan border with Zaire, showed 150 animals, compared with 3,000 in 1972, with two corpses for every live elephant. They appeared to have been shot with automatic weapons and in many cases only the ivory was taken; the meat was left to rot.

In Zambia, Mr Peter Murphy of WWF says, poaching has reached "an unprecedented level both in scale and in sophistication of operations". Early this month, after a trip to the Luangwa Valley, Mr Murphy described "at least 10 gangs of poachers with up to 26 mercenaries per gang . . armed with AK-47 automatic rifles and other sophisticated weapons".

The poachers had sufficient firepower to kill 600 elephants and 240 black rhinos a month. Despite tough government measures and some degree of international control over trafficking in such animal products, prices of £300 an ounce for rhino horn and the increasing scarcity of ivory make legal risks well worth taking.

"Rhinoceros have been ruthlessly hunted because of the misguided belief that the horn contains aphrodisiac qualities", WWF says.

An elephant with a severed trunk, victim of the game poachers of East Africa.

"In the Far East it fiches high prices as traditional medicine supposed to cure a multitude of evils from malaa to insanity." Rhino horns ar also used as dagger handles elaborately carved, in the Middle East.

In northern Zimbabwe travellers in the Manapooliarea have reported about 7,000 Zipra guerrillas slaughtering game with RPG-7 rockets in addition to the ubiqitous automatic rifles. Here, too, elephants are the most popular quarry because the soldiers can use them to supplement their food rations and to sell as trophies, often across the border in Zambia.

The attrition in Uganda's game reserves has been known for some time. Idi Amin's undisciplined troops accounted for thousands of elephants, hippos, antelopes and buffalo; later, Tanzanian soldiers continued the killing. Earlier this year, President Godfrey Binaisa announced a number of remedial programmes for Ugandan national parks, few of which, in the light of subsequent political developments, are likely to be put into effect.

Details of the various campaigns in aid of African wildlife are available from the World Wildlife Fund, 1196 Gland, Switzerland.

Tony Samstag

Hunger for energy

Nuclear power at centre of Soviet block's strategy

Energy-hungry Eastern Europe is going nuclear at breakneck speed. Undeterred by a number of nuclear accidents and unchecked by public opposition, the Soviet block increased its nuclear generating capacity seven-fold between 1971 and 1977 and then embarked on an even more ambitious nuclear building programme.

At its Bucharest session in 1978, the Comecon Council—the Soviet block's economic organization—decided to put all its eggs in the nuclear basket and approved a long-term development plan that placed nuclear power at the centre of the block's energy strategy. The scope and speed of the nuclear programme can be gauged from an internal Comecon report asserting that at present nuclear power stations with a total of 37,000 megawatt generating capacity are under construction in the East European Comecon states and Cuba.

(The richer and highly industrialised states of Western Europe, which had begun their nuclear programmes much earlier, had, by comparison, a nuclear capacity of 80,000 megawatts in 1977. According to a study drawn from official projections by Professor Carroll L. Wilson of the Massachusetts Institute of Technology, the OECD countries plan a seven to 10-fold increase of their nuclear generating capacity in the next 20 years. This means a much less dramatic and dynamic expansion of nuclear power than in Eastern Europe. Furthermore, owing to popular opposition and other political factors, the actual Western nuclear power capacity in 2000 might be about 30 per cent lower than the MIT estimate.)

The vast Eastern building programme is carried out with Soviet technical assistance. From the Soviet point of view, East Europe's nuclear choice has several advantages: it further integrates the economies of these states, lessens their near-total dependence on fossil-based Russian energy resources and strengthens Comecon's control over their energy life-line.

Besides, nuclear power is good business. Russia, which is reliably estimated to have 27 operational nuclear power stations and another 13 under construction, is supplying Eastern Europe with Vver-440 and Vver-1,000 type reactors and the rest of the nuclear technology. There is no competition.

While the West agonized over the Harrisburg nuclear accident and its implications, Eastern Europe took additional steps to speed up its nuclear fuel production. At the Comecon Executive Committee session in Moscow last spring, Poland, Hungary and Czechoslovakia agreed to finance jointly with the Soviet Union the construction of a nuclear power plant at Khmelnitsky in the Ukraine, which, when fully operational, is to provide the four countries with 4,000 megawatts of nuclear-produced electricity.

A parallel agreement was signed on the construction of a 750 kilovolt power line from Khmelnitsky to Rzeszow in south Poland to link up with an already existing power transmission line between the Ukraine, Hungary, Czechoslovakia and Germany. The Polish and the Hungarian sections of the grid are to become part of a big high-tension electric power network intended to cover the whole of Central and Eastern Europe.

The project is not cheap, but the benefits are to be proportional to the investment. The Soviet Union is paying half of the estimated 1,500m roubles (£1 equals 1.52 roubles) of the Khmelnitsky nuclear plant, Czechoslovakia is to contribute 235m and Poland 400m roubles. The Soviet Union is to receive half of the generated power, Poland 1,000 megawatts and the remaining 1,000 megawatts are to be shared out among the rest of Comecon investors.

Repayment of the joint investment in electric power is to be completed by 203, after which the East European shareholder states wil be able to purchase power on a commercial basis.

In the race to go nuclear, Czechoslovakia is in the lead in Eastern Europe. In addition to its two existing nuclear power stations—the first at Jaslovske Bohunice, the second at Dukovany—a further 10 reactors are to be built. Under the Comecon energy programme, the country's nuclear power engineering base has been greatly expanded: the Skoda Works at Pilsen and the Brno Engineering Works are to produce a total of 19 fast-breeder Soviet reactors by 1985.

The first two are earmarked for Hungary's Paks nuclear plant on the Danube, the next batch is to be supplied to East Germany "and it will not take long before we start exporting these reactors even to Cuba", Prague radio reported.

Poland's approach to nuclear energy has been marked by doubts and equivocation. Although these doubts have not been aired in a public debate they are reflected in the chequered history of the country's first nuclear plant at Zarnowiec. The party leadership gave the go-ahead in August, 1971, with the completion date of 1984. Delays, confusion and perhaps deliberate procrastination have resulted in successive postponements and a reassessment of the building programme. The latest completion date is 1986, with an expected production capacity of 1,880 megawatts, to be increased to 4380 megawatts by 1990 and 23000 by 2000.

East Germany has shrouded its nuclear building programme in even greater secrecy than its Comecon partners. There has been no public information about future construction plans or the siting of the power stations. Two pressurized water reactors—one at Rheinsberg, the other at Greifswald—have been operating since 1966 and 1975 respectively, and to date 10 per cent of the country's electricity is nuclear-fuelled. Under the new Comecon nuclear development plan East Germany is to get 40 per cent of its electricity from nuclear energy by 2000.

Romania alone among the Comecon states has shied away form total reliance on Soviet nuclear hardware and fuel and, in true Gaullist fashion, has bought a Canadian-designed Candu reactor, with an option for a second one. At the same time, it is now also building a Vver-440 Soviet reactor which, together with several others built in Czechoslovakia, is to supply 27 per cent of the country's energy needs by the mid-1980s.

Hungary is a late-comer to the nuclear club. To dispel mounting public concern over nuclear safety, the Hungarian National Assembly passed a law at its spring session this year on the peaceful use of nuclear energy.

The law became necessary because the first Vver-440 megawatt unit of the Paks nuclear station is to go into service this year. Three further units will bring the station's generating capacity to 1,760 megawatts by 1985, capable of supplying a fifth of the country's electricity needs.

This massive introduction of potentially lethal nuclear hardware into Central and Eastern Europe has been carried out—as in the Soviet Union—without any public debate or consultation. The planners and technologists have proceeded from the very beginning of the assumption that there could be no popular opposition to the nuclear option.

The underlying dogma behind this "Big Brother knows best" attitude is that the ruling communist parties alone can interpret, thanks to Marxism-Leninism, the laws governing social and economic activities. The mass protests against nuclear power in Western Europe were explained to East Germans, for instance, as being made "in conditions of growing contradictions between the possibilities which scientific progress could secure to working people and its use under monopoly-capitalist rule and property relations directed against the interests of working men".

However, under the impact of the Harrisburg accident the more worrying aspects of nuclear power began to be aired, especially in the Polish and Hungarian mass media. But this is always balanced by cogently reasoned accounts of the economic and ecological advantages of going nuclear and seasoned with sly hints at the predicament of those nations which, governed by foolish moral scruples, had put themselves at the mercy of the ayatollahs and oil shaikhs.

Nevertheless public concern has been mounting and, because of a lack of frank and full information some people in Hungary are worrying that the Paks nuclear plant might destroy the ecology of the Danube.

Others have greater anxieties. To dispel fears of a nuclear accident, the East European press has been publishing assurances of the "absolute safety" of Soviet reactors used in their nuclear programme. The Vver-440 and Vver-1000 type reactors, the Moscow journal *Novoye Vremya* has been widely quoted in the Soviet block as stating, have "three-fold safety margins as opposed to America's two-fold, thus similar (Harrisburg) accidents could never occur".

There is, however, irrefutable evidence that even graver nuclear accidents have occurred in the Soviet Union and Eastern Europe. The first accident of catastrophic proportions took place in the Urals in 1958, resulting in large-scale contamination of vast areas between Chelyabinsk and Sverdlovsk. Dr Zhores Medvedev, the exiled Russian biochemist, claims that the explosion was caused not by nuclear reactors but by nuclear wastes buried at a shallow depth near the town of Blagoveschensk. It claimed hundreds of deaths.

A second nuclear accident was reported to have taken place at the Kysht nuclear plant; a third in the early 1970s at the Shevchenko fast-breeder reactor on the Mangyshlak peninsula in the Caspian Sea, the fourth at a naval yard in Estonia on the Baltic, some time in the mid-1970s.

In East Germany the malfunctioning of a Soviet reactor caused thermal pollution not long ago. In Czechoslovakia, there have been two serious nuclear accidents at Bohunice, according to a detailed account provided by the Charter-77 human rights group. On January 5, 1976, two technicians were asphyxiated when carbon dioxide escaped from a reactor. They were unable to escape because the emergency exit was locked to prevent thefts.

On February 24, 1977, there was a further accident resulting in the release of radioactive gases into the atmosphere. It was caused by "negligent" installation of a fuel rod. As a result, radioactive fluid was flushed through the plant's drainage system, contaminating a stream and exposing the nearby villages to radioactivity.

If these examples are anything to go by, East Europe's plunge into the nuclear age is fraught with more dangers than the Comecon energy chiefs have bargained for. A nuclear accident in densely populated Eastern Europe could turn ecology—at present a totally apolitical concern—into a burning political issue with unfathomable political consequences.

Gabriel Ronay

Food Report

Grocers lose interest in the sale of food

The number of grocers' shops in Britain has halved in the past 20 years, and those which remain are quickly losing interest in selling food. That will not surprise anyone who has entered a large supermarket in search of some trifling item for the larder, like a pot of jam or a packet of butter.

Increasingly these days the prospective buyer must run a gauntlet of plastic gnomes, dressing gowns, saucepans and slippers before arriving at the remote region devoted to food.

On the way out, of course, he or she finds that only two of the 15 check-outs are operating, and that each is obscured by a queue of shoppers waiting to pay for £20-worth of spanners, pot plants and toy machine-guns.

The tendency for supermarkets to try to turn themselves into garages and garden centres as well as food shops has been inflicted remorselessly on customers as the price war has cut profits on basic foods.

All the supermarket chains are trying to break out of the circle of limited sales and low profits. That is why many have transformed their displays of fresh produce from dingy collections of wilting greens and shrivelling roots to large and attractive selections that can include unusual and exotic items. They have discovered that there is more profit to be made out of a fresh tomato than a tinned one.

The trend away from food in the grocery trade can be felt much more easily than it can be measured. The most authoritative survey of it is published by the Institute of Grocery Distribution. The latest edition has received little attention, probably because the Institute charges £60 a copy for it to non-members.

It illustrates more clearly than any other document the way in which the grocery trade is being concentrated into fewer and larger supermarkets. The MacFisheries chain of shops, which gave the country a household name for more than 50 years, has just been closed.

Its companion MacMarkets' chain of supermarkets has been absorbed by International Stores, which swallowed up the Pricerite and F. J. Wallis chains some years ago, and is itself part of a multinational tobacco group.

The two largest chains, Tesco and Sainsbury, supply about a quarter of the grocery market in Britain. Ironically, they are among the few which are not part of larger groups with other interests.

The survey by the institute shows that in the largest supermarkets opened last year almost as much selling space was devoted to what the trade calls "non-foods" as to food. Almost all supermarkets opened last year had their own car parks, while most of them sold clothes, toys, gardening equipment and electrical goods.

The declining importance of food in supermarkets is not leading to a resurgence of the independent grocery trade. The survey by the institute shows that the number of independent grocery shops in Britain has fallen steadily from a total of 116,000 in 1961 to 57,000 last year.

Food shops are giving way in the shopping precincts to branches of banks, building societies, estate agents and firms of accountants, especially turf accountants. Shopping for food is being pushed into the outer suburbs where car-borne families assemble in concrete wastelands dotted with rusting wire trolleys.

The Retail Grocery Business 1980: Institute of Grocery Distribution, Letchmore Heath, Watford, Hertfordshire. £60.

Hugh Clayton

COURT CIRCULAR

INGHAM PALACE
26: Mr John Johnson was d in audience by the Queen norning and kissed hands his appointment as British Commissioner to the Repub- Zambia.
Johnson had the honour ig received by Her Majesty.
Excellency Monsieur Jean- Nonault was received in ce by the Queen and pre- the Letters of Recall of decessor and his own Let- f Credence as Ambassador rdinary and Plenipotentiary the People's Republic of to the Court of St James's. Excellency was accompanied following members of the y, who had the honour of presented to Her Majesty: ir Antoine Delica (Coun- and Monsieur Jean -GBolo (First Secretary). me Nonault had the hon- being received by the

lichael Palliser (Permanent ecretary of State for and Commonwealth Aff- ho had the honour of be- ceived by the Queen, was and the Gentlemen of the old-in-Waiting were in nce.
xcellency Monsieur Vladi- Ichev and Madame Vel- were received in farewell by Her Majesty and took pon His Excellency relin- his appointment as idor Extraordinary and entiary (from the People's of Bulgaria to the f St James's.
Governor of Queensland y Ramsay had the honour received by The Queen.
Queen and The Duke of gh this evening attended tion to celebrate the 75th sary of the Automobile on at Fanum House, r Square.
Majesty and His Royal s were received by The Kent (President of the bile Association) and The of Kent, and the Lord of Westminster (Council- ald du Parc Braham).
ord Erroll of Hale (Chair- the Association) escorted en and The Duke of Edin- meet the guests.
Duchess of Grafton, Mr Heseltine and Lieutenant- der Robert Guy, RN were dance.
uke of Edinburgh, atten- Lord Rupert Nevill, at Heathrow Airport, this afternoon in an air- The Queen's Flight from nd.
rince of Wales, as Great of the Most Honourable the Bath, this evening an "At Home" in West- Abbey.
on Edward Adeane was dance.
ueen was represented by ir Marshall (Deputy High ner in Madras) as the f Shri V. V. Giri (for- esident of the Republic) which was held in yesterday.
CE HOUSE
: Queen Elizabeth The Mother, Chancellor of the y of London, today visited ege, near Ashford, on the of the Annual Com- ion.
Majesty travelled in an of The Queen's Flight.
Patrick Campbell-Preston Martin Gilliat were in ce.
GTON PALACE
: The Princess Margaret, of Snowdon was present rnoon at a Fashion Show Moreno, arranged by the e Airlines at the Café n aid of the National for the Prevention of o Children, of which Her ghness is President.
Alastair Aird was in ce.
incess Margaret, Countess don, as President, this attended a Reception given ictoria League at Victoria House.
on Davina Woodhouse was dance.
GTON PALACE
: Princess Alice Duchess cester, Patron, London of Youth Clubs, was at a Reception to cele- eir Centenary at County ndon, this evening.
Jane Egerton-Warburton ttendance.
Duke of Gloucester was at a Garden Party in the arden, Chelsea, given by ety of Apothecaries and ers' Company in celebra- the Octocentenary of the Pepperers.
ant-Colonel Simon Bland ttendance.

Forthcoming marriages

Mr P. N. Earle and Miss E. Bawtree
The engagement is announced between Patrick, younger son of Mr and Mrs N. L. Earle, of Sywell, Northampton, and Elizabeth, daughter of Commander and Mrs D. K. Bawtree, of Portsmouth, Hampshire.

Mr A. P. Leonard and Mrs C. S. Richards
The engagement is announced between Andrew Peter, elder son of Mr and Mrs P. A. Leonard, of Milwaye, Withyham Road, Groombridge, Tunbridge Wells, Kent, and Caroline Susan, daughter of Captain and Mrs J. F. Bilson, of 21 Dragon Street, Petersfield, Hampshire.

Mr T. A. Norgate and Miss S. M. Batten
The engagement is announced between Timothy, son of Mr and Mrs Peter Norgate, of Roybarns Lodge, East Horsley, Surrey, and Susan, daughter of Dr and Mrs Henry Batten, of Rutland House, Great Shelford, Cambridge.

Mr C. H. W. Pooth and Miss J. V. Spaull
The engagement is announced between Charles, eldest son of the late Mr William Pooth and Mrs M. Pooth, of Krefeld, West Germany, and Julie, daughter of Mr and Mrs Raymond Spaull, of Dartford, Kent.

Mr A. J. R. Price and Miss J. M. Lampard
The engagement is announced between John, eldest son of Colonel and Mrs Martin Price, of South Brent, Devon, and Julie, eldest daughter of the late Duncan Lampard and of Mrs Alistair Waterhouse, of Glendale, Zimbabwe.

Mr H. R. Stofer and Miss C. R. Morpeth
The engagement is announced between Hans Rudolph, son of Mr and Mrs Anton Stofer, of Baden, Switzerland, and Caroline Rutherford, daughter of Mr and Mrs Douglas Morpeth, of Summerden House, Shamley Green, Surrey.

Mr S. W. J. Wathen and Miss J. M. Richardson
The engagement is announced between Simon, son of Mr and Mrs J. P. G. Wathen, of Woodcock Farmhouse, Owlpen, Dursley, Gloucestershire, and Julia, daughter of Mr and Mrs Ian Richardson, of Hinton Farm House, Hurst, Berkshire.

Marriages

Mr J. N. Norman and Mrs D. Weeks
The marriage took place yesterday between Mr Jeremy Norman and Mrs Danuska Weeks. A reception was held at The Hyde Park Hotel.

Mr W. N. Radcliffe and Miss E. L. Quartly Mallett
The marriage took place yesterday in the Queen's Chapel, St James's Palace, between Mr Nicholas Radcliffe, son of Mrs Walter Radcliffe, of Warleigh Park House, Tamerton Foliot, Devon and of the late Major Walter Radcliffe and Miss Elaine Quartly Mallett, daughter of Mr and Mrs Ralph Quartly Mallett, of Marsh Benham Lodge, Newbury, Berkshire. Canon Anthony Caesar, Sub-Dean of the Chapels Royal, officiated.
The bride, who was given in marriage by her father, was attended by Katherine Eastwood. Lieutenant-Colonel Geoffrey Eastwood, RA, was best man.
A reception was held at the Turf Club and the honeymoon will be spent abroad.

Sir Maurice Dorman, who is to succeed Lord Caccia as Lord Prior of the Order of St John.

Birthdays today

Sir Sydney Caine, 78; Mr Alan Coren, 42; Sir Thomas Harley, 85; Major Alfred Huskisson, 88; Professor P. N. S. Mansergh, 70; Mr David Mercer, 52; Sir Harry Trusted, QC, 92; Sir John Walker, 74.

Latest wills

Constance Winifred Moulden, of Sonning Common, Reading, Berkshire, left estate valued at £150,122 net. After smaller bequests she left the residue equally between the NSPCC, RSPCA, Wood Green Animal Shelter, the Donkey Sanctuary, Ottery St Mary, and Royal London Society for the Blind.
Other estates include (net, before tax paid; tax not disclosed):
Bowker, Mr William Arthur, of Bamford, South Yorkshire, company director .. £133,067
Buckley, Mr Harold, of Newcastle under-Lyme, Staffordshire £244,308
Gallsworthy, Mr Richard, of Scarborough, North Yorkshire £639,685
Lea, Mr Richard John, of Albrighton, Shropshire .. £271,250
Neilson, Lieutenant-Colonel Robert Marshall, of Sarisbury Green, Hampshire £121,183

Photograph by Jonathan Player

The City of London Sinfonia rehearsing in Christ Church, Spitalfields, for the 1980 festival, which open on Sunday.

Luncheons

HM Government
Mr Nicholas Ridley, Minister of State for Foreign and Commonwealth Affairs, was host yesterday at a luncheon held at 1 Carlton Gardens in honour of the Guatemalan Foreign Minister, Ing Rafael Castillo Valdez.

HM Government
Mr Richard Luce, Parliamentary Under-Secretary for Foreign and Commonwealth Affairs, was host yesterday at a luncheon held at Lancaster House in honour of the Malawi High Commissioner.

East European Trade Council
Lord Shackleton, chairman of the East European Trade Council, presided at a luncheon given by the council at Quaglino's banqueting rooms yesterday in honour of Mr Tibor Antalpoter, Director-General of the Hungarian Ministry of Foreign Trade, on the occasion of the annual meeting of the United Kingdom/Hungarian Joint Commission. The Hungarian Ambassador was among those present.

Dinners

HM Government
HM Government gave a dinner at Lancaster House yesterday in honour of the State Secretary for Defence for the Netherlands and Mrs W. F. Van Eekelan. The Parliamentary Under-Secretary of State for Defence for the Royal Navy and Mrs Keith Speed were the hosts. Those present included:
The Netherlands Ambassador and Mrs Fack, Captain and Mrs G. Van Beusekom, Colonel and Mrs M. F. E. Heesterman; Sir John and Lady Taylor, Mr and Mrs Robert Rhodes James, Sir K. P. Jolls, Mr and Mrs K. C. Macdonald, Mr and Mrs H. Metcalfe, Mr A. M. Cundick, Mr I. E. A. Barclay, Mr and Mrs C. Preston and Air Commodore and Mrs J. W. Frost.

Foreign Affairs Club
Field Marshall Lord Carver was the guest of honour at the Foreign Affairs Club dinner held at the Waldorf Hotel yesterday. Lord Greenhill of Harrow presided. Other guests included:
The High Commissioner for Singapore, Mr John Gilbert, MP, Sir Arthur Hockadas, Admiral Sir Anthony Morton, Air Vice-Marshal R. E. Frost, Captain Duane L. Weisinger, Mr M. S. Ognlyn, Mr Olof Skoglund, Mr Derek Ingram, Mr R. A. W. Rudd, Mr H. A. Taylor and Mr G. K. Young.

St Stephen's Constitutional Club
The Prime Minister was the guest of honour at a dinner given last night at the St Stephen's Constitutional Club by Conservative Members of Parliament who entered the House of Commons in June, 1970. Mr John Wilkinson, MP, was in the chair.

Signora Cagiati
Prince and Princess Michael of Kent attended a dinner given in their honour by the Italian Ambassador and Signora Cagiati at the embassy on Wednesday.

Old Rugbeian Golfing Society
The Old Rugbeian Golfing Society held a dinner at the Garrick Club on Wednesday. Colonel A. A. Duncan, president, was in the chair and the guest was Mr J. Stewart Lawson (OR), Captain of the Royal and Ancient Golf Club of St Andrews. His health was proposed by Mr W. M. Muller (OR), Captain of the Honourable Company of Edinburgh Golfers. Among others present were:
Mr A. D. Cave, Sir Robert Speed, Master-General C. T. D. Lindsay, Judge N. A. J. Cohen, Mr F. D. Physick, Mr J. H. Neill and Mr M. A. Spaddington.

Glaziers' Company
Mr George M. Gee, Master of the Glaziers' Company, assisted by Mr J. P. S. Edge-Partington and Mr M. E. Snow, Wardens, presided at a court meeting held at Glaziers' Hall yesterday. At a dinner afterwards the guests included:
Sir Hugo Huntington-Whitely, Judge M. A. B. King-Hamilton, QC, Mr Chaim Bermant, Mr S. Kaye, Professor Anthony Naylor, Mr G. D. Paul, Mr Peter Saunders, Mr Elliott Viney, and the Masters of the Masons', Tylers' and Bricklayers', Fanmakers' and Builders Merchants' Companies.

Receptions

Royal Society
The President of the Royal Society, Lord Todd, gave a conversazione at 6 Carlton House Terrace yesterday evening. In addition to the officers and fellows of the society, the following were among those present:
The Lord Mayor of Westminster, the Ambassadors of Czechoslovakia, the German Democratic Republic, Hungary, the Republic of Ireland, Israel, Pakistan, Poland, Romania, South Africa and Sweden; the High Commissioners for Ghana, India and Malaysia; Lord Avebury, the Earl of Bessborough, Lord De Ramsey, Lord Gregson, Lord Hunt, Baroness Jeger, Earl Jellicoe, Lord Lane, Lord Lloyd of Kilgerran, Lord Lucas of Chilworth, Viscount Trenchard, Lord Thomson of Monifieth, Lord Sherfield, Earl of Shannon; Sir Geoffrey Howe, QC, MP, Mr Patrick Jenkin, MP, Mr James Callaghan, MP, the Chairman of the GLC, the Hon Douglas Hurd, MP, the Hon Peter Brooke, MP, Sir Ian Bancroft, Sir James Swaffield, the Very Rev Dr I. Jakobovits and Prebendary Austen Williams and their ladies.

GLC
Princess Alice Duchess of Gloucester, patron, London Union of Youth Clubs, was present at a reception held yesterday by the Chairman of the Greater London Council and Mrs Brook-Partridge at the County Hall to mark the centenary of the union. Mayors and mayoresses of London boroughs were presented and other guests included Lord Goodman, president, LUYC, Mr Alan Greenbat, Mr and Mrs Leslie Porter; members of the Greater London Council and representatives of youth clubs and youth organizations in London.

City of Westminster Law Society
The Hon Peter Brooke, MP, and Mrs Brooke were hosts at a reception held at the House of Commons on Wednesday, June 25. The guests were received by the President of the City of Westminster Law Society and Mrs Robert Egerton. Among the guests were:
The Deputy Lord Mayor of Westminster (Councillor Roger Bramble), Mr Cecil Clothier, QC, the Master of the City of London Solicitors' Company and Mrs Guilleume, the President of Holborn Law Society, the President of the South London Law Society, the President of the South London Law Society, the President of the North Middlesex Law Society and Mrs Karet, the President of the South and Central Middlesex Law Society and Mrs Bales, the President of Eastbourne Law Society and Mrs Parkinson, Mr Marcel Berlins, Mr and Mrs Terence Shaw, Mr and Mrs Brian Shalcross, Mrs Elizabeth Bromwell, Mr and Mrs Philip Lawton, Mr and Mrs Tony Conway and members of the society and their guests.

Supper

HM Government
Mr Peter Blaker, Minister of State for Foreign and Commonwealth Affairs, was host yesterday at a theatre party at Her Majesty's Theatre, Haymarket, and afterwards at a supper held at Admiralty House in honour of the Governor of Queensland, Sir James Ramsay.

Garden party

Colonels Commandant, Royal Engineers
The Colonels Commandant of the Royal Engineers, both active and retired, gave a garden party at the Royal Engineers Officers' Mess, Minley Manor, yesterday.

Service dinners

Mountain Artillery
The annual dinner of the Mountain Artillery Dinner Club was held last night at the Naval and Military Club. Major-General B. P. Hughes presided and Brigadier H. E. Boulter was the principal guest. Major-General Mohindar Singh was among those present.

Royal Corps of Transport
Officers of the Royal Corps of Transport held a dinner last night at the Royal Corps of Transport headquarters mess, Aldershot. The Director General of Transport and Movements, Major-General F. J. Plaskett, presided and the principal guests were:
Lord Shackleton, Lord Shepherd, Admiral Sir Henry Leach, Major-General M. B. Johnston, Brigadier K. Burch, Brigadier C. R. Hustable, Mr R. B. Reid and W. Arthur Hodkinson.

Memorial service

Mr A. N. S. Walker
The Prime Minister was represented by Mr Richard Ryder at a service of thanksgiving for the life of Mr Alexander Walker held yesterday in St Paul's Cathedral. The Rev Richard Fenwick officiated, assisted by Canon Douglas Webster and the Rev H. S. Colchester. Mr Myles Ponsonby gave an address. Among others present were:
Mrs Walker (widow), Mr Jonathan Walker (son), Miss Alexandra, Miss Victoria and Miss Henrietta Walker (daughters), Dr and Mrs Donald Walker (brother and sister-in-law), Mrs J. M. C. Morton-Clarke (sister-in-law), Miss S. Strachan, Mr Duncan Strachan, Mr James Morton-Clarke, Mrs G. Chilvers, Stephen Chilvers, Mrs E. C. Rogers, Lady Raffray, Miss Monique Raffray, Mrs Ian Millar, Sir Ian Crichton, Sir David Muirhead, Sir Herbert and Lady Marchant, Sir John and Lady Rennie, Sir Dick and Lady Franks, Lady (Richard) Sykes, Sir Anthony Royle, MP, and Lady Royle, Lady Cortazzi, Miss Angela Hooper (Conservative Central Office, also representing Chairman of the Conservative Party), Sir John Biggs-Davison, MP, and Mr Peter Joynes (Conservative Research Department), Mr Christopher Patten, MP, Mrs H. S. Colchester, Mrs M. Ponsonby, Major and Mrs A. W. Stewart, Mr L. H. Mitchell, Mr J. Chubb, Mrs David Royal, Miss Madeleine Royal, Mr C. R. Curwen, Miss Rachel Sykes, Mr and Mrs John Briance, Mr Robert T. Paice, Mr and Mrs Edward James, Mr C. F. Hole, Mr J. S. Langrige, Mr Kenneth Personal, Miss E. Ponsonby, and Mr A. Monique Browne.

25 years ago

From The Times of Tuesday, June 28, 1955

Aid to Yugoslavia

Compared with the document produced at the conclusion of Mr Khrushchev's visit to Belgrade, yesterday's communiqué reporting the talks between the Yugoslav Government and the three western ambassadors is laconic. That was to be expected. Russia and Yugoslavia set out to rebuild something out of ruins; the burden of yesterday's communique is "no change". No details are given of the lines along which the talks developed though it can be assumed that in addition to a general review of the world situation economic matters played a principal part. Britain, France and the United States helped to keep Yugoslavia's head above water when, after 1948, the Cominform blockade shut off half her external trade.

Direct British and French aid is tapering off, but American aid is still considerable, mainly in military supplies and foodstuffs. Even if trade between Yugoslavia and the Cominform countries revives and if Yugoslavia escapes a repetition of the disastrous harvests of 1950 and 1954, this aid will remain for the time being necessary. The only question has been whether the terms on which it is offered or accepted should be changed.

Rarities in rococo go under the hammer

By Geraldine Norman
Sale Room Correspondent

Furniture and sculpture from St Giles's House, Dorset, the property of Lord Shaftesbury, came under the hammer at Christie's yesterday.

The house was refurbished in the mid-eighteenth century by the fourth earl in flamboyant rococo taste. That was decidedly unEnglish of him, our national taste being normally more restrained. But the ensemble of pieces, almost all by English carvers or cabinet makers, are rarities.

The sale made £538,540, with 4 per cent unsold. Museums secured odd pickings but the heritage lobby had clearly abandoned hope of retaining the ensemble.

Lord Shaftesbury said the proceeds will go towards the repair of St Giles's house and the extension of the Dower House, to which he has moved. He has taken some of the remaining fine furniture to the Dower House and intends to refurbish some of the main rooms at St Giles's for his private use. It will not be open to the public but will house the estate office and be used on grand occasions.

The top price, £64,000, was paid by Partridge Fine Art of Bond Street for a vast pair of early George III giltwood pier-glasses. They are a gorgeous example of rococo workmanship; surmounted by carved fountain, the frame is modelled on a Chinese pagoda pattern outlined by carved twining branches which support two ho-ho birds clutching twigs in their beaks, and incorporates quantities of other fanciful motifs. They were bought on behalf of a foreign client.

A similarly exotic George II giltwood chandelier went to Neil Sellin, the New York dealer, at £55,000. Then there were chairs and sofas from the St Giles's suite of George III, the best to be found of the Chippendale style.

The first of the four pairs of armchairs went to Partridge at £36,000 and the last to the same dealer at £22,000; there were two sofas which both sold to Phillips and Harris at £22,000 apiece. The set has been gradually dispersed over the years; in 1966 four armchairs were sold at Christie's for 9,000 guineas and a sofa for 3,000 guineas. To chairs from the suite were recently given to the Victoria and Albert Museum.

The same museum are to have two of the four carved giltwood pelmet boards, for which R. A. Lee paid £4,000 in yesterday's sale. The Dorset Museum bought a number of marble busts, their most expensive purchase being a bust of the fourth Earl from the workshop of Rysbrack at £3,200 (estimate £2,000-£3,000).

A George II chandelier from St Giles's House which fetched £55,000.

Bonhams's yesterday were also concerned with giltwood carvings and claimed an auction record for a picture frame when an Italian dealer paid £2,800 for a seventeenth-century carved tondo frame.

A two-session sale of nineteenth and twentieth century prints in New York on Wednesday made £120,1[illegible], with only 2 per cent unsold. The sale ran above the high estimate and seemed to confirm the trend shown in Switzerland last weekend for higher prices in that field despite the recession.

Today's engagements

The Queen opens new barracks, School of Military Survey, Hermitage, near Newbury, 12.30.
The Duke of Edinburgh, as Colonel-in-chief, visits The Queen's Royal Irish Hussars, Warminster, Wiltshire, and Tidworth, Hampshire.
The Prince of Wales attends rededication service of HMS Brompton, Chatham, 11.
Princess Anne attends church service and passing out parade, The Prince of Wales's Division, Lichfield, 11.15.
Princess Margaret attends garden party at Lancaster House for Teachers from the Commonwealth, the United States and Europe, 3.30.
The Duchess of Gloucester attends fifth Silver Clef Award luncheon, Hotel Intercontinental, 12.30.
Aldershot Army display, Rushmoor Arena, 7.

Science report

Microbiology: The oldest fossils

From Clive Cookson
of The Times Higher Education Supplement

Washington
Fossilized microbes dating back 3,560,000 years have been found in ancient rocks from Australia. They are by far the oldest clearly defined fossils discovered anywhere; some 2,300-million-year-old specimens from South Africa come next.

A team of Australian and American paleobiologists, led by Dr William Schopf, of California University, Los Angeles, collected the microfossils from a remote part of Western Australia known as the "North Pole". Their age, established by radio-isotope dating, is remarkable in itself, because scientists do not believe that the Earth has existed for more than 4,500 million years.

But what is particularly exciting about the discovery is the variety and complexity of the fossils. Dr Schopf said he and his colleagues had identified five separate types of organism, all of which look like modern bacteria and "seem really quite advanced biochemically". There is even evidence that one type may have been capable of photosynthesis.

If such diversity and relative sophistication already existed within a thousand million years of the Earth's formation, life must have started when he planet was very young.

All five types of microfossil occurred as multicellular filaments up to 600 microns long. Their diameters varied from one-third of a micron to 10 microns. They were so well preserved that the paleobiologists could see lateral and longitudinal cell walls, but there was no evidence of central nuclei.

Judging from the sedimentary rocks that contained the fossils, the ancient microbes lived at the bottom of a warm, shallow lake or sea.

The "North Pole" rocks also contain microscopic spheroids that may be fossils of more primitive organisms, though they they do not have enough structural detail to show whether they were really living cells.

Similar roundish objects have been found in extremely ancient rocks elsewhere, for example in strata 3,400 million years old in South Africa, but their discoverers have not been able to prove that they were indeed microfossils.

There have even been claims that the oldest rocks so far identified on Earth, found in Greenland and dating back 3,800 million years, contain evidence of life, but the evidence has not won general scientific acceptance.

The discovery of the "North pole" fossils was announced by the National Science Foundation in Washington at the end of last week and has not yet appeared in the scientific literature.

But three Australian members of Dr Schopf's team, Malcolm Walter, Rober Buick and John Dunlop, published a paper in the April 3 issue of *Nature*, which gave the first indirect evidence of ancient life at the site. It described layered reef-like rock structures, known as stromatolites, that are believed to have been formed by micro-organisms.

There was no trace in the stromatolites of the microbes themselves. The rocks that did contain fossils were found later, a few miles away, though they were formed at about the same time.

The strongest evidence that one of the ancient micro-organisms at the "North pole" was capable of photosynthesis comes from an analysis of the isotopes of carbon present in the rock, by John Hayes of Indiana University.

The relative abundance of the isotopes suggests, but does not prove, that the microbe was "fixing" carbon dioxide from the atmosphere. If so, it was probably a type of photosynthesis using hydrogen sulphide, not water, as the hydrogen donor, and producing sulphur, not oxygen (like green plants), as a by-product.

Supporting evidence for photosynthesis comes from the morphology of the microfossils (they closely resemble certain photosynthesizing bacteria that exist today) and the fact that they appear to have lived in matted communities at the bottom of a shallow lagoon, again like some modern bacteria.

OBITUARY

MR IRVING HARRISON

Reorganization of British Shoe Corporation

Mr Irving ("Harry") Harrison, MC, who died suddenly on June 18 at the age of 60, had been managing director of British Shoe Corporation Footwear since 1973 and on the board of the parent company, Sears Holdings, since 1978. He was also a member of the Footwear Economic Development Committee.

He joined Trueform and Freeman Hardy and Willis as general manager in 1955 from British Home Stores, where he had been a group buyer. Trueform and Freeman Hardy and Willis had recently been taken over by the late Sir Charles Clore and in 1956 merged with Dolcis and Manfield to form the British Shoe Corporation. In 1958 Harrison became retail director.

In the early 1960s, Harrison was given a brief by Mr J. H. Levison, the then managing director of the company, to design a system which would enable the various divisions of BSC to be brought together under one roof in a main distribution centre which would serve all branches. After the initial planning period, the work commenced at Braunstone in 1963 and by the end of that year Harrison supervised the move of the first members of BSC into their new headquarters. The head office and distribution centre at Braunstone will remain a permanent memorial to Harrison's foresight.

Born in Swansea, Harrison had a passion for active sports, including rugby. He played cricket until he was 50 and tennis until his heart trouble began. In the prewar Territorial Army he went to France with the BEF in 1939, returning via Dunkirk. He was mentioned in dispatches. He was later with the Eighth Army in the Western Desert and Italy, and was awarded the MC.

He leaves a widow, Eileen, and two sons, Richard and Neil.

REV F. MacCARTHY WILLIS-BUND

R. M. writes:

The Rev Frank MacCarthy Willis-Bund, FBA, died on June 14. He was 75. After reading Zoology and Geography at Cambridge he taught at Gresham's School, Holt, from 1928 to 1931, and then, after being ordained, from 1933 to 1945 at Shrewsbury. There his sermons made a great impression even on those who could not follow their austere logic, and he had a wide influence on boys and masters.

His election in 1945 to a Balliol Fellowship as Chaplain was due to A. D. Lindsay's ability to recognize the strength of hidden qualities. He settled quietly into college life, but had soon become indispensable.

He was appointed Dean in 1952 and for twenty years was responsible for discipline while lines were becoming blurred. In the period of effervescence he played a major part in steering the college through difficult years; and even those who regarded him as an enemy of the enlightenment respected his fairness and his firmness. He was a good judge of character and instinctively knew which of them would probably become merchant bankers.

Apart from his duties as Dean he was always ready to listen to anyone, undergraduate or don, who was faced with acute personal problems. His quiet sympathy, patience, and wise judgment will be remembered by many whom he helped through their troubles. He made himself particularly accessible after evensong which he celebrated every night at 10 pm.

His theological views were opaque, and he was more at home with Jeremiah than with St Paul, but he was a deeply religious man and the strength of his moral principles was unshakable. He read voraciously, theology, philosophy and *The Financial Times*. The Stock Exchange fascinated him but his personal life style was extremely austere. He was very methodical, retaining all his receipts since he went up to Cambridge, and never losing his way in his forest of files. He was also a very humble man and it was the combination of spiritual strength and deep humility that explains his influence in the college.

As treasurer of the Balliol Society he made many friendships with older members of the college and administered their educational trust with warm humanity. Holders of Balliol Livings will remember him with affection, because he gave meaning to their association with the college, and kept in personal touch with them. He believed strongly in the social value of the Balliol Boys Club and with his leadership it retained its high reputation in Oxford.

When he reached the retiring age at Balliol he was invited to become Chaplain at All Souls. He appreciated the honour and the warmth of his reception. His duties were light but he took them very seriously and was very happy in his new setting. Among other honours which he cherished were a governorship of Shrewsbury School and a canonry of

MR DEMETRIOS PARTSALIDES

Mr Demetrios Partsalides, the veteran communist leader and a former organizer of the communist insurgent movement during the Greek Civil War, died on June 22 at the age of 74.

Born in the Turkish port of Trebzon on the Black Sea, Partsalides went to Greece as a refugee after the Greek-Turkish war of 1922, and settled in Kavalla where he worked in a tobacco factory.

He became involved in the communist movement and was elected Mayor of Kavalla in 1930. Two years later he represented the town in Parliament.

During the German occupation of Greece he became the main organizer of the Communist-led National Liberation Front which staged a rebellion in Athens in 1944 after the departure of the Germans, against the national unity government of George Papandreou.

After the rebellion was crushed with the help of British forces, Partsalides was instrumental in organizing the communist forces that resumed warfare from 1946 to 1949.

He later became disenchanted with the Soviet Union because of its interference in Greek Communist affairs and after the Soviet invasion of Czechoslovakia in 1968, he broke away from the pro-Moscow Greek Communist Party and formed the Communist Party of the interior.

Partsalides, who spent much of his life in prison for his political beliefs, was sentenced to life imprisonment in 1972 after illegally entering Greece to organize Communist resistance against the military dictatorship. He was freed in 1973 when amnesty was granted to all political detainees.

MR PATRICK O'HIGGINS

Mr John Richardson writes:

Author, editor and chronicler of fashion, Patrick O'Higgins died in New York on June 20.

Born in Paris of half Irish, half French parentage (his mother was a member of the Brémond d'Ars family), he was educated at Downside and Le Rosey. While serving in the Irish Guards, he was badly wounded at Nijmegen.

After the war, he decided to try his luck in America. Armed with considerable Irish charm, wit and looks as well as an introduction to Mrs Cornelius Vanderbilt, Patrick became one of the sights of post-war New York, as he hobbled about Manhattan in his Guards uniform.

If he had heeded his close friend, Cecil Beaton, Patrick could have had a brilliant career as a photographer. However, he abandoned the camera for the typewriter. After a stint as a junior editor on *Town and Country*, he joined *Flair* magazine as travel editor in 1950.

When *Flair* ceased publication, he went to work for Helena Rubinstein in 1952. For the next fourteen years, he was the cosmetic manufacturer's right-hand man.

After her death, O'Higgins wrote a deservedly best-selling account of life with Rubinstein, entitled *Madame*, which accomplished the difficult feat of being caustic and comic as well as affectionate. A project to turn *Madame* into a musical never materialized. However, George Cukor recently announced that he intends to base a film on this book.

After working in various editorial capacities for *Show* magazine, *Harper's Bazaar* and *Town and Country*, O'Higgins devoted himself to writing an autobiographical sequel to *Madame*, featuring another elderly eccentric, his father. Alas, illness prevented its completion. still, in his last years, O'Higgins continued to publish lively articles—including some memorable profiles in *Town and Country*—which reveal a rare capacity for recording friendship with a loyalty that is always leavened by humour.

MR DAVID BURPEE

Mr David Burpee, who built up the American seed company W. Atlee Burpee Co, into one of the world's largest mail order seed operations, died on June 24 at the age of 87. At the age of 15 in 1922 Burpee had taken over the company, in Philadelphia from his father who founded it, and was to go on to develop hundreds of varieties of flowers and vegetables, including hybrid vegetable types, among them hybrid tomatoes and cucumbers, which were more disease resistant and higher yielding than their predecessors.

A good seedsman, Burpee was also an astute businessman and was one of the first in the business to give money back guarantees on his seeds. He produced many types of marigold including the famous red and gold hybrid, and immensely increased the flower's popularity in the United States, though his campaign to have the marigold adopted as America's national flower failed in spite of his lobbying in Washington in its cause. In 1970 Burpee sold his company to General Foods Corp, remaining, however, as consultant.

Patricia, Lady Barrow, widow of Sir Wilfrid Barrow, fifth baronet, died on May 29. She was the daughter of Mr Richard Gordon FitzGerald Uniacke, of the College of Arms, who died in 1934; her husband died in 1960.

Mr Charles Higgins, the painter who signed his work "Pic", died on June 12. He was 87.

The Dowager Lady Cunliffe died on June 21. She was Joan Catherine, daughter of Cecil Lubbock and she married in 1925 the second Baron Cunliffe. The marriage was dissolved in 1952. He died in 1963.

Mr Norman Mitchell, the Australian newspaper cartoonist, died on June 13 at the age of 60. He was the cartoonist of the *Adelaide News* for 30 years.

Stock Exchange Prices

Electricals lend firm tone

ACCOUNT DAYS: Dealings Began, June 16. Dealings End, Today. § Contango Day, June 30. Settlement Day, July 7

§ Forward bargains are permitted on two previous days

BRITISH FUNDS

SHORTS

MEDIUMS

LONGS

COMMONWEALTH AND FOREIGN

LOCAL AUTHORITIES

DOLLAR STOCKS

BANKS AND DISCOUNTS

BREWERIES AND DISTILLERIES

COMMERCIAL AND INDUSTRIAL

A — B

C — E

F — H

I — L

M — N

O — S

T — Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

SHIPPING

MINES

OIL

PROPERTY

RUBBER

TEA

MISCELLANEOUS

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THE TIMES
BUSINESS NEWS

An answering service with a difference, P23

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N BRIEF

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ays profit

services contributed £1.17m towards the e British Waterways year, according to its port. Income from ctivities was £1.6m nent of the Environ- nt totalled £21.3m. 979 the board spent operating, dredging aining waterways.

ace record

. Blackwell, president iety of British Aero- npanies, says in his eport that exports first quarter of 1980 ly to be close to record for any three in the industry's nd £86m up on the od last year.

oil stocks

oil stocks held by rose to 104 days esti- sonal supply, or 19.9 nnes, at the end of 86 days in May last

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's destocking amoun- bm in the first quarter ear, according to re- res published by the nt of Industry. There er cent fall in indus- tment in the period revious three months.

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Closure of BSR's East Kilbride plant means 2,300 will be made redundant

By R. W. Shakespeare and John Huxley

Further signs of the huge shake-up of jobs occurring throughout industry was provided by announcements yesterday more than 3,000 redundancies in areas as diverse as rural Cheshire, central Scotland and the Black Country.

Foden, Britain's oldest commercial vehicle builder, is to reduce its workforce at Sandbach, Cheshire, where it is the largest single employer by 25 per cent. Meanwhile, BSR, the record changer and electronics group, is to make 2,300 workers redundant. Of these about 1,700 are based at its East Kilbride plant, now scheduled to close, and the rest are in the West Midlands.

More than 630 shopfloor and office jobs will be lost at Foden's Sandbach works by the end of September. The company is also introducing a three-day working week at its truck plants over a period of six weeks.

Foden's cutback is a serious blow to the Cheshire town where it was founded in 1856 and to the neighbouring areas from where it draws its labour force. Already the nearby ERF lorry plant, employing 1,300 workers, is on a three-day working week.

A Foden spokesman said yesterday that the company was being forced to tailor its operations to a dwindling market at home and abroad. Sales had been affected by high interest rates at home and the strength of the pound overseas.

"We have gone to tremendous lengths to strengthen our products range and have in fact increased our market share in the heavy trucks field, particularly with our new eight and six-wheeler vehicles. But we are operating in a shrinking market, the spokesman said.

"This is an extremely sad decision for us. We have a highly skilled flexible and loyal labour force, but there is no alternative if we are to secure the future for the company and the jobs of those who will remain."

A buffer against possibly even more severe cutbacks is Foden's strengthened position in the defence contract field, supplying heavy duty vehicles to the British Army and Nato forces as well as other worldwide orders.

In the West Midlands BSR plans to shut one factory and reduce production at three others. The cutbacks at Old Hill and Stourbridge come only three months after the compony made 1,200 other workers redundant in the West Midlands after a downturn in the American market, which previously had been taking 70 per cent of the company's record changer output.

Earlier this year Garrard, another record player manufacturer, cut its Swindon-based staff by about a third.

At the beginning of this year, BSR employed 15,418 people, about 4,000 fewer than 12 months previously. Over the same period the group's profits slumped by more than £11m to £3.9m. In his annual report, Mr John Ferguson, the chairman, gave a warning that further reductions in manning levels would be needed.

Last night a spokesman for the General and Municipal Workers' Union said that the company's measures were a tragedy for the Black Country. BSR's East Kilbride workforce are young women. The company is the second largest employer in the Scottish new town.

Closure o fthe factory will take mores than £100,000 in weekly wages out of circulation, seriously affecting the local economy.

Union reaction to the redundancy plans has so far been muted but the measures seem certain to add to the growing political storm over the Government's industrial policy and soaring unemployment, particularly in the Northwest, where there are now 250,000 jobelss.

NEB team off to Inmos in America

From Kenneth Owen
Colorado Spring, June 26

A special team from the National Enterprise Board will fly here at the weekend for meetings next week which are crucial to the future of Inmos, the NEB's semiconductor subsidiary. It will investigate the company's progress and future prospects at its American headquarters.

Dr Richard Petritz, chief executive of Inmos, is confident that the review will lead to a decision by the United Kingdom Government to release the second £25m tranche of NEB investment in Inmos.

I the money is not forthcoming, he said the company could continue on its initial £25m investment, but on a severely limited scale.

Sir Keith Joseph, Secretary of State for Industry, will indicate the Government's future intentions on Exchequer aid for the second stage development of Inmos, the publicly-funded micro-electronic company, in the Commons on Tuesday.

He will be replying to a debate initiated by the Opposition in response to leading directors of the company who have approached Mr Callaghan, the Labour leader, complaining about the long delay in the Government's consideration of future funding.

Sir Arthur Knight, chairman of the NEB, has asked for Mr George Jefferson, a member of the board, to lead the team to Colorado Springs. Mr Jefferson will take with him not only senior MEB officials but also experts from his own company, British Aerospace.

Mr Jim Simmons, the NEB representative on the Inmos board will not be on the trip because the aim is to conduct an independent review.

The team will be told by Dr Petritz and his colleagues that the technical innovation promised by Inmos has been achieved, if not surpassed. The programme is on or ahead of schedule and the company's high technology is matched by sound and detailed business planning and financial control.

Dr Petritz said, without the second tranche, Inmos would have to operate essentially as a United States company. "It would not achieve the goals we have set." In particular, the company would not be able to go ahead with its factory in Bristol, planned to pick up production from the United States in mid-1982.

Mr Richard Hall, finance director added: "Inmos as a United States company is completely viable on its own. It would survive, without the need for any outside finance at this stage."

The NEB team will be particularly concerned to check the market estimates on which the Inmos business plan is based, seeking confirmation of the figures from independent market research organizations.

Though Dr Petritz has abandoned his June 30 deadline for a decision by the United Kingdom government because of the urgent NEB review.

The next decision time for Inmos will be the company's board meeting in mid-July, when the directors will decide whether to set another deadline for a decision by the government.

Mr David Plastow (left), managing director of Rolls-Royce Motors with Sir Peter Matthews, chairman of Vickers, in London yesterday.

Rolls-Royce Motors counterbid discounted

Suggestions that a counterbidder for Rolls-Royce Motors could emerge after the agreed terms from Vickers on Wednesday were firmly discounted by both sides yesterday.

After the annual meeting of Vickers in London, Sir Peter Matthews, chairman, said he was "not apprehensive" about the prospect of a rival bidder, while Mr Daivd Plastow, managing director of Rolls-Royce and the chief executive elect of the proposed new group, was also sceptical about the chances of a foreign bid, because this could involve the loss of the Rolls-Royce trade mark.

The stockmarket was not convinced. Rolls-Royce's shares jumped 6p to 67p in early dealings, but slipped back to 65½p by the close on hopes that the Vickers approach would flush out another bidder or that Rolls's shareholders would not be happy with the terms.

Vickers took the news of the deal less well, slipping 4p to 126p, where the two-for-one share offer values Rolls at £37m.

Sir Peter told shareholders that profits before interest were ahead of last year's depressed outcome and that despite the recession the elevel of orders indicated that trading profits would improve for the year as a whole.

There was only one critical voice at the meeting to the Roole deal because of the uncertainty over the compensation from the loss of the group's shipbuilding and aircraft assets.

Foseco puts in £40.3m bid for Unicorn

By Michael Prest

In the latest of the current wave of industrial mergers, Foseco Minsep, the supplier of specialist products to the steel, foundry and construction industries, is making a £40.3m paper ofer for Unicorn Industries, a grindings and abrasives company. The bid has been agreed by the Unicorn board.

Dr David Atterton, chairman of Foseco, said the merger would be between two companies whose products served the same industries but at different stages in their processes. He said Foseco had looked at 55 companies before deciding that Unicorn was the most suitable.

Last year Foseco made pretax profits of £18.4m and earnings per share of 20.7p on assets of £72.6m. Unicorn is a smaler company, making £6.52m profits or earnings per share of 14.1p from assets of £48.4m. Foseco's shares closed 6p lower yesterday at 164p.

Foseco's offer gives Unicorn shareholders a choice between four Foseco shares for every five Unicorn shares, or a composite of four Foseco shares, three new 8.25 per cent net convertible redeemable cumulative second preference shares, and £3 of new 10 per cent convertible unsecured loan stock for every 10 Unicorn shares.

The extra income in the composite offer is designed to compensate Unicorn shareholders for what would otherwise be a 29 per cent drop in income. However, it also has a more technical application in that Foseco wants to retain as much relieved advanced corporation tax as possible.

The ACT problem arises because about 75 per cent of Foseco's profits come from abroad. The company's main markets are the United States, Japan and Europe, particularly West Germany and Italy.

Foseco is a worldwide group of about 150 companies supplying technical and chemical products and services to the foundry, steel and construction industries. It hos substantial assets in Central America and other parts of Europe as well as in Britain.

Unicorn is less international, specializing in diamond drilling and abrasive equipment. It also trades in industrial stones. Mr Brian Ball-Greene, chairman of Unicorn, agreed that there were many points where the companies complemented each other.

Mr Ball-Greene and another Unicorn director have been invited to join the board of the merged company, and no redundancies are likely. Both chairmen denied that the move was defensive, emphasizing the positive advantoges of combination and the fact that Foseco's offer values each Unicorn share at 138p, compared with a market price at the time of the offer of 85p. Last night Unicorn shares were unchanged at 122p.

Financial Editor, page 23

Action on car imports urged

The deepening recession has dealt new car sales their worst blow. Unofficial figures for the month so far suggest sales will struggle to top 100,000—just half the number for June last year.

BBL sales are having difficulty reaching 15 per cent of the market—a figure similar to its showing in January when sales were 15.01 per cent.

Major manufacturers like Ford and Vauxhall are putting men on short time, and Talbot made 1,400 men at its Linwood factory redundant last week. BL, too, has some short-time working.

Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, will today urge the Government to take steps to protect British car workers' jobs.

He will contact Mr John Nott, the Secretary of State for Trade and Sir Michael Edwardes, the chairman of BL, to suggest that the Government should act to eliminate "unfair competition from abroad". Mr Duffy wants the Government to change its monetary policy to help BL compete with imports.

He sees a cut in hours for BL workers as inevitable unless the Government steps in. "We must face the fact that if you are not selling what you produce you could have lay-offs and reduction of hours," Mr Duffy said.

"Unless the Government intervenes, the damage to the economy will be irreparable, and we shall have a repetition of what happened to the motorcycle industry".

A spokesman for the Society of Motor Manufacturers and Traders commented: "Of course the figures are serious. But Britain managed to hang on to good sales figures far longer than most other western nations. The slump arrived here in April while it hit other countries late last year."

The society is forecasting total sales this year of 1.5 million, a drop of more than 200,000 cars compared with 1979. However, it gave warning that this month cannot be compered with June 1979, because that was an "odd-ball month". It was just before the major budget increases which pushed thousands of buyers into the market place early, seeking to save money.

June sales in 1978 were 132,000, but in the previous two years, they were also below 100,000.

Head of Fiat calls for lira devaluation

From John Earle
Rome, June 26

Signor Umberto Agnelli, managing director of Fiat, and Signor Franco Foschi, Italian labour minister, had a sticky meeting here today over what should be done to overcome the growing crisis facing the economy. It was "a confrontation of two distinctly diverse positions", the minister said afterwards.

Signor Agnelli reiterated his call for devaluation of the lira—reported to be under pressure in foreign exchange markets—and said Fiat would be forced to resort to dismissals to get through its present troubles.

Signor Foschi described Signor Agnelli's reasoning as "not at all motivated. "We say decisively 'no' to devaluation. It might suit some big employers for their private problems, but it would be a great evil for the Italian economy."

Signor Foschi said the answer was in a package of measures which the government intended to launch in a few days.

Agreement expected: A new agreement between Peugeot and Fiat may be announced shortly. Peugeot and Fiat have already concluded a first deal on joint output of a small vehicle in Italy by Fiat and Citroën.

The Peugeot, Citroën and Talbot French-owned group will soon be buying raw materials, designing vehicles and storing components on a joint basis. The restructuring of the services and departments of the three makes is being carried out under the aegis of Peugeot SA.

Fisher urges Lloyd's upheaval

Continued from page 1

The drafting of a new Act of Parliament to replace existing statutes and designed to embody the new powers of regulation and discipline contained in the report.

The transfer of disciplinary powers, backed by six members of the working party with one Lloyd's member dissenting, would mean that all the big broking groups would be forced to sell—possibly to individuals or institutions—their important managing agency companies which control syndicates.

The working party points out several potential and actual abuses which can arise because of the conflict of interest between brokers as insurance intermediaries acting on behalf of clients and undewriters within the market. These abuses the report says, include "loading" of expenses on underwriting names, pressurizing syndicates to take on "names" when premium income does not justify the increase in capacity and pressing syndicates to write business at preferential rates.

In a further recommendation which could have major consequences, the report calls for the forced divestment by insurance brokers of their underwriting interests at Lloyd's within five years of the new council coming into being.

According to Mr Peter Green, the Lloyd's chairman, the report has received "an overwhelmingly favourable" resopnse from the Lloyd's committee. It was prepared by Sir Henry Fisher, a former High Court judge, and a team of six comprising four working Lloyd's members and two outsiders.

It was commissioned early last year in the face of mounting criticism about the way Lloyd's ruling committee had reacted to a series of scandals, controversies and disputes within the market.

Many of the Fisher recommendations could have a bearing on what has become Lloyd's longest-running and potentially most devastating scandal, the notorious Sasse syndicate affair. Several members of the Sasse syndicate are suing Lloyd's and disputing liabilities over insurance losses amounting to over £20m.

In commissioning the report, Lloyd's officials had shown they were acutely aware that existing rules and procedures were "far too slow and cumbersome".

The committee would do its utmost to draft a private member's Bill embodying the new constitution by the end of November in the hope that it would become law by 1981.

Instead of the present 16-man committee Sir Henry envisages a 25-man council made up of 16 working members of Lloyd's, three outsiders, and six non-working members who would be elected by postal ballot.

This council would be responsible for making all bye-laws and for all policy and strategic planning. It would also be responsible for all discipline, but would effectively split its disciplinary and executive functions.

The council would have much wider powers to investigate alleged breaches, to discipline offenders and maintain stringent safeguards against abuses. It would be empowered to suspend any syndicate, broker or agent in extreme cases.

Also, it would have extensive powers in relation to the policing of premium income limits and of "binding authorities" under which market outsiders can be authorized to write business without entering "the room" at Lloyd's.

Fisher also urges a higher standard of audited accounts and reports to members—the underwriting "names" whose personal wealth backs all Lloyd's policies.

Sir Henry Fisher claims that in the light of the new structure, the controversial 20 per cent rule under which non-Lloyd's insurance interests are restricted to minority stakes in Lloyd's broking firms would disappear.

Mr Green, who is both an underwriter and a director of an insurance broking group—Hogg Robinson—surprised many people with his open welcome for the Fisher proposals concerning divestment by brokers of underwriting interests.

The divestment recommendation had been expected, and initial reaction from leading insurance brokers was calm.

The main problem appears to be how to execute the recommendation. Big brokers underwrite substantial quantities of business at Lloyd's and finding buyers for that size of business would be difficult.

Mr Gilbert Cooke, managing director of C. T. Bowring, said that brokers would recognize the logic of the Fisher proposals.

Mr Neil Mills, chairman of the Sedgwick Group, said the proposals would have to be debated very seriously before any changes were made.

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Disputes end work on £20m USAF deal

By John Huxley

The Government has blamed lengthy industrial disputes for its abandonment this week of a £20m contract to build defence shelters for the United States Air Force.

In a letter to the Transport and General Workers' Union, Mr Geoffrey Finsberg, Under-secretary of State at the Department of the Environment, says that on one of the four sites involved no steel has been erected for more than a year.

He adds that there is no likelihood of the dispute being resolved soon. Similar problems have dogged progress an all four sites on American bases at Lakenheath, Bentwaters and Woodbridge, in Suffolk, and Alconbury, Cambridge.

Mr Finsberg was answering a letter from the Transport and General Workers' Union, addressed to the client, the Property Services Agency of the Department of the Environment.

He explained that areas around the shelters were needed for operational reasons. It has, therefore, been decided to abandon work on the shelters when clearing-up is complete.

Work on the shelters is at various stages. It has been delayed by disputes over pay, bonuses and productivity involving the main contractor, Costain Civil Engineering and its sub-contractors and their workforces. At one point, there were angry clashes on a site when an attempt was made to bring in Italian workers.

Costain was offering no comment yesterday on contract developments, although it has been holding talks with its workforce recently.

There has been persistent speculation that the cost of the work, originally let by the Property Services Agency in 1976, had risen to about £40m.

PRICE CHANGES

	16p to 290p	Johnson Matt	24p to 335p
shire	15p to 670p	Lasmo	38p to 754p
set	11p to 302p	Milford Docks	20p to 173p
	32p to 399p	Ranger Oil	19/16 to £14⅛
ps	25p to 585p	Tanks Cons	10p to 320p
	6p to 254p	Irish Dist	5p to 73p
a	8p to 164p	Massey-Ferg	15p to 260p
	5p to 238p	Mothercare	15p to 248p
Cros	13p to 662p	Sun Alliance	8p to 646p
ravel	7p to 263p	Unilever	5p to 471p

THE POUND

	Bank buys	Bank sells
s	2.08	2.01
h	30.55	28.85
:	69.00	65.50
	2.73	2.66
Kr	13.19	12.64
kk	8.82	8.42
	9.83	9.43
DM	4.28	4.06
	102.50	97.50
$	11.65	11.25
l	1.13	1.08
	2000.00	1910.00
	530.00	505.00

	Bank buys	Bank sells
Netherlands Gld	4.68	4.45
Norway Kr	11.67	11.17
Portugal Esc	116.00	110.00
South Africa Rd	2.17	2.03
Spain Pta	165.50	158.50
Sweden Kr	10.05	9.60
Switzerland Fr	3.98	3.76
USA $	2.38	2.32
Yugoslavia Dnr	66.00	62.00

Rates for small denomination bank notes only, as supplied yesterday by Barclays Bank International Ltd. Different rates apply to travellers' cheques and other foreign currency business.

Jobs threatened as cheap imports swamp market

British bath makers in a lather

British manufacturers of steel baths are fighting a surge of cheap imports from Europe which they believe will cause further redundancies and short-time working in the indusrry.

They claim that some of the enamelled steel baths are coming into the country at subsidized prices and that imports from Italy and France threaten to reduce the British markers' share of the market from two thirds to a half.

One of the three steel bath makers in the United Kingdom, a Glynwed subsidiary at Long Eaton, Nottinghamshire, has already been driven out of steel bath making, with the loss of 400 jobs, after inroads by cheap Italian baths that last year took 25 per cent or more of a 210,000 units market.

Steel baths account for about a quarter of the total market now hit by the building industry recession. Steel bath sales could fall to below 200,000 this year, according to the British Bath Manufacturers Association.

Of the remaining British makers, Carron Holdings has shed a fifth of its workforce engaged in steel bath production as Falkirk and has introduced some short-time working.

The other British steel bath maker, Edward Curren Engineering, of Cardiff, part of Reed International, said yesterday that if imports continued to grow there was clearly a threat of short-time working and also redundancies.

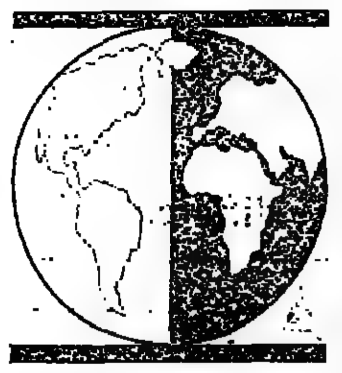
The biggest import surge this year has been from France whose market share could rise from last year's 17 per cent to 25 per cent this year, according to manufacturer's association's.

An economic factory gate price in Britain is about £30 but the French are landing steel baths at British ports at about £26. The strength of sterling is one factor but the French may also be selling at little or no margin to reduce their own high stocks, said Mr Roddy Robertson, the association's secretary.

Mr Robertson said that the Italian threat was worse because their baths were coming in at around £20.

"We know the plants involved, with machinery similar to ou rown in a production process that is not labour intensive, and the only conclusion we can come to is that there is some form of subsidy somewhere."

Derek Harris



State to run Italian SIR group

Societa Italiana Resine (SIR), Italy's third biggest chemical group, is to be run under a management contract for a year by ENI, the state corporation, it was announced in Rome. SIR was close to collapse and earlier this week it said it lacked funds to pay wages for June and would progressively shut its plants, mainly located in Sardinia and southern Italy.

Signor Gianni de Michaelis, the industry minister, said the Government would give ENI up to 500,000m lire (about £250m), for the rescue and would instruct the corporation to draw up a recovery plan during the year.

ENI will not take responsibility for SIR's debts of over 3,100,000m lire (£1,550m) or the 1979 loss of 847,000m lire (£423m) reported by the consortium of creditor banks which has been running SIR.

The Government is examining plans to split the chemical industry into a private group headed by Montedison, and a public group under ENI.

Import limit sought

Mr Reubin Askew, United States international trade negotiator, said in Washington that the Americans were seeking "understandings" with Japan, South Korea and Taiwan to limit their exports of colour television sets to the United States after existing agreements expire on Monday.

$3,500m coal plan

The United States Senate has approved a Bill calling for subsidies of $3,500m (£1,500m) to promote the conversion to coal of 80 oil-fired generating stations by the year 1985.

£50m for Malaysia

Japan's government-run Overseas Economic Cooperation Fund has signed an agreement to provide $118m (about £50m) credit to Malaysia to help finance port expansion and hydro-electric projects.

US steel problems

America could become as dependent upon foreign sources for steel as it already is for oil, unless federal policies are changed to help the beleaguered domestic steel industry, an unpublished Congressional study says. "The United States lacks national consensus to preserve or modernize its steel industry. . . ." according to the office of Technology Assessment in Pittsburgh

Bay of Bengal energy

Oil and gas have been struck for the first time in the Bay of Bengal, Mr Veerendra Patil, the Indian petroleum minister told Parliament. He said oil had been discovered about 40 miles northeast of Machilipatnam town and 15 miles from the coast. Flow rate was over 600 barrels a day.

Huge oil output

The Soviet Union is the world's biggest oil producer and turned out a record 12.1 million barrels a day in May, 6 per cent more than in the same period last year, the private Petrostudies Organization has reported in Malmo, Sweden.

Third World aid

Official development assistance from Western donor nations to developing countries rose by 11.4 per cent in 1979 to $22,300m (about £9,612m), the Organization for Economic Cooperation reports. After adjustment for inflation, the increase represents a rise of 2 per cent in real terms, slightly below the average in recent years, the OECD say.

Information order

The European Commission has announced it will order member governments to disclose information about their financial links to public enterprises in a major new initiative to eliminate unfair competition.

Conference points to need for emphasis on future opportunities

Chemicals hope for short recession

Makers of chemicals and those who supply them with heavy plant and equipment have been meeting in Birmingham this week to consider the future of their industries at a conference whose theme is "opportunities and constraints".

The need to plan in advance ensures that chemical leaders do not become too preoccupied with the present, but it has been difficult for many to avoid dwelling on existing constraints. When Mr Michael Bennett, vice-president of Chem Syms International, concluded his speech with a slide bearing the message "change means opportunity", there were audible groans from some members of the audience.

In recent weeks the chemicals industry has taken a change for the worse. Recently Sir Maurice Hodgson, chairman of ICI, explained that the expected downturn in demand, associated with the drift into recession, had been a long time coming. Now the downturn had come suddenly and deeply.

Similar reports are coming from western Europe. BP Chemicals had a satisfactory first quarter. Since March however it has suffered "a sharp deterioration in practically all areas". A company statement said that the decline was particularly marked in the United Kingdom where product selling into the textile and construction industries is badly down.

Some companies have found sales of some products, especially bulk plastics like polyethylene, PVC, and polystyrene, down on last year by as much as 40 per cent. Prices have again come under pressure, and revived fears that the industry will be rushed into another painful bout of price cutting.

Plant loading has been reduced, and there are reports that production in the United Kingdom of ethylene—a basic building block for a wide range of chemical products—has slumped to less than 40 per cent of capacity.

Very few companies have made money out of their commodity chemicals operations in recent years, and the Chemical Industries Association is already forecasting that investment will drop in real terms by about 30 per cent in the period to 1982. customer base for the chemicals industry is being eroded quickly and possibly permanently.

Earlier this year Mr Norman Mischler, chairman of Hoechst UK, estimated that car imports during 1979 had cost chemicals makers in Britain about £73m in lost sales. Similar losses are being recorded across industry generally.

The decline may prove to be only short lived. Most chemical companies believe that it is explained largely be destocking by customers, and are looking for evidence of an improvement in the industry's fortunes, possibly before the end of this year. A recent Shell report on the future of petrochemicals expected about 4 per cent growth per year in sales over the next five years. Cambridge Econometrics expects chemicals industry output in the United Kingdom to grow at 3.6 per cent a year between now and 1990, against a growth in gross domestic product of only 1.4 per cent, and this is exceeded only by estimates for the output of the financial services sector (forecast to grow at 4.1 per cent a year).

But there are persistent dark clouds on the horizon—and as yet there is little indication that they have silver linings. In the United Kingdom it is feared that the

In western Europe, four main outlets account for about 60 per cent of petrochemicals demand: packaging (21 per cent); building and construction (16 per cent); textiles (12 per cent) and transport (9 per cent). In none of these sectors is the prospect for growth encouraging.

Sir Maurice Hodgson points to the loss of markets for fibres and dyestuffs caused by the widespread contraction in the British textiles industry; and the loss of solvent, paint and plastic sales to the car industry.

He said that although companies like ICI will increasingly move production towards markets outside the United Kingdom, exports have to be built from a strong domestic base.

A related problem is that of low-cost imports into Europe and third markets from the United States, where chemicals producers benefit from artificially low feedstock and energy costs.

The industry is divided on whether American imports represent a short or long term threat. After all American producers enjoy advantages of scale and production unrelated to feedstock costs.

In any case western producers are also likely to face a challenge from other sources—the Far East, the Middle East and the Comecon countries—in the longer term.

A study by Mr Alan Binder, of Shell International Chemical, published today, suggests that this should not obscure the fact that prospects for the chemicals industry remain good.

Meanwhile, the industry is trying to force governments and the European Community to take action to halt the flood of imports from the United States. As many as 18 anti-dumping actions against American goods are being urged by CEFIC, the European federation of chemical producers.

A further attempt is also to be made to persuade either the Washington administration, or the American producers, to take voluntary action to halt the flow of imports.

John Huxley

British Shipbuilders hits target

By Peter Hill

British Shipbuilders, the loss-making State corporation has reached its 45 merchant ship orders target three months ahead of schedule.

Yesterday BS revealed that Shell (UK) had placed orders for three 2,500 ton deadweight coastal tankers, pushing the total value of orders gained since the target was set to nearly £380m.

The contracts will secure work at two smaller yards until the end of next year.

News that the target had been met was released soon after it was announced that the shipbuilding corporation planned to reduce, temporarily, the working week of a large number of its employees.

BS yesterday described the orders as "a fillip to the entire industry". When the target was set it was thought unlikely that it would be met within 12 months.

But the shipbuilders' objective had been met in nine months, after talks with the industry's trade unions last autumn. These talks were centred on the possibility of clinching merchant contracts for 45 ships totalling 400,000 compensated gross registered tonnes as a means of stabilizing the workload for the "core" yards within the group.

The search for orders has been accompanied by a slimming down of the labour force and an attempt to boost productivity.

Mr John Parker, the corporation's acting chief executive, who led the marketing campaign said: "It is good news for British shipbuilding but it is also a very good boost for the nation".

Many people, he said, had been willing to write-off the industry prematurely but the corporation's success in hitting its target had won it not only a bigger slice of what is a shrinking business world-wide, but also a breathing space.

Mr Parker said the target would not have been achieved had it not been for the good sense of unions in accepting a 11½ per cent pay deal over 15 months, and the work of designers in developing new ships.

"That does not mean to say that we can afford to relax, because world-wide competition is still intense particularly from the Far East.

"But so long as the nation is willing to back us through the international crisis, there is today a spirit in shipbuilding to pull through to profit and growth."

Mr J. W. Eckhard, chief executive of both Goole Shipbuilding and Repairing, on Humberside and Clelands Shipbuilding at Wallsend, where the Shell ships will be built said: "The order for these tankers will help to maintain present employment levels in these yards for a further year".

£10m French computer deal for ICL

By Our Industrial Staff

International Computers (ICL) is about to sign a contract to buy £10m worth of computer printers from Logabax, a French company. Several thousand of the printers would be purchased each year over the next few years.

The British company has already agreed in principle to the deal. It plans to sell the printers with the new ICL small business machine to be launched in March.

The deal comes at a time when the French company is rumoured to be in the process of changing ownership. Among the front runners for the takeover is Intertechnique, which could bid for 62 per cent of Logabax.

The contract also comes as ICL is fighting against competition, principally American, for the supply of equipment to the Inland Revenue. That project would be worth £50m.

Logabax, formed in the 1920s, was backed by the French Government in the mid-1960s in in its efforts to encourage the growth of a data processing industry in France.

During the 1970s the company expanded considerably and invested heavily to make it one of the prominent European manufacturers of mini-computers.

Chinese contract hope for Belfast yard

Two executives of Harland & Wolff, the Belfast shipbuilders, are in Peking chasing Chinese Government orders to build large bulk carriers for the country's growing coal and iron ore exporting trades.

Mr Kenneth Ruddock the company's shipyard marketing director, and Mr Robert Harkness, general manager of Harland & Wolff's engineering division, were invited to Peking earlier this week when they were in Hongkong on a Far Eastern, and Australasian sales tour.

The Chinese are known to be anxious to expand their merchant fleet which at present numbers little more than 100 ships, and Harland & Wolff hopes to interest the government in its standard design 120,000 ton deadweight bulk carrier.

The Chinese already operate three of the company's smaller bulk carriers bought second-hand from Norway.

"We know they are very satisfied with these ships and three smaller Belfast-built freighters they own and we believe this will work in our favour in the Chinese market", a company spokesman said.

Pensions criticism of Wilson

By Margaret Stone

The National Association of Pension Funds yesterday accused the Wilson Committee of ignoring the third and most vital function of pension funds—the support of pensioners and of members' dependents.

Although it welcomed the "generally realistic and constructive nature" of the Wilson report, it argued that it was incomplete to draw attention only to the growing importance of pension funds as vehicles for personal savings and providers of capital for industry.

The pensions industry was singledout in the Wilson report as an area where changes in the operating framework would be desirable, culminating in a Persions Scheme Act.

Mr Michael Pilch, chairman of the NAPF, said that the industry was not opposed to legislation in principle, nor against statutory regulation.

He pointed out, however, that it was already affected by more than 30 Acts of Parliament as well as coming under some specific controls from the Inland Revenue and the Occupational Pensions Board.

Plea for cheaper business loans

Mr Walter Goldsmith, director general of the Institute of Directors, has written to the main clearing banks asking them to give a temporary priority reduction to smal and medium sized businesses. It's action was prompted by pressure from businessmen.

Mr Goldsmith said that unless action was taken "some businesses might not survive, and present and future employment opportunities will be lost".

The institute has petitioned Sir Geoffrey Howe and other Cabinet ministers often during the last few months about reducing interest rates. Mr Goldsmith yesterday tried a direct approach by writing to the chairman of the Midland, Lloyds, Barclays, National Westminster and Williams and Glynn's banks, and to the Committee of London Clearing Bankers.

He asked the mto consider reducing interest charges on loans to small and medium sized businesses until interest rates generally show a distinct fall.

Mr Goldsmith told the bankers: "Sufficient encouragement must be given to companies to hong on a little longer before giving up the struggle. Many small and medium businesses are no longer concerned about profitability levels, but are concerned about their very ability to survive.

"If companies had confident interest rates were about to fall, they might think seriously before abandoning important investment programmes".

Replying to members, he concluded that the institute recognizes that the profitability of the banks is unlikely to be as high as last year "but we nonetheless feel that a reduction in the clearing banks' interest rates would lessen the risk to the survival of many of their clients' businesses.

"A reduction would take the pressure off the Government's monetary policies, which are the only hope of conquering inflation

Spreading the wordprocessing bureaux

By Bill Johnstone

Four hundred franchised word processing bureaux making in total £500,000 each year in royalties are planned to be opened in the United Kingdom over the next four years by Wordplex, the Canadian word-processing manufacturer.

Each centre will be set a target of selling five new machines a year.

The franchise bureaux is Wordplex's attempt to compete with multinationals such as IBM, Xerox and AOlivetti, in the United Kingdom wordprocessing market.

It is estimated that 2.5 million typewriters which ultimately must be replaced with new technology are in commercial use in the United Kingdom.

Most manufacturers find that as the cost of their machinery drops and the cost of labour rises, it becomes uneconomic to employ highly paid salesman.

Each applicant chosen by the company will pay a £350 deposit and then be instructed during a three-week course on the business of running a wordprocessing bureau.

Summary of the Fisher report on Lloyd's self-regulation

The report of Sir Henry Fisher's Working Party on Self-Regulation covers the whole structure, custom and practice of trading at Lloyd's. The principal recommendations are:

1 The rule-making and disciplinary powers which are at present vested in general meetings of members of Lloyd's should be transferred to a new body to be called the Council of Lloyd's.

2 The membership of the council would comprise 16 working members of Lloyd's who would be elected by the personal voting of the working members, six non-working members who would be elected by postal ballot of the non-working members and three outsiders who would be nominated by the council with the approval of the Governor of the Bank of England

3 The Council of Lloyd's would be responsible for making all bye-laws by appropriate majorities, under the powers conferred by Parliament, and for all policy and strategic planning. It would be responsible for all discipline but would delegate its powers to a standing disciplinary committee seperate from the executive members of the council. The executive function carried out at present by the committee of Lloyd's would be delegated to an executive committee of the council consisting of the 16 council members who are working members of Lloyd's. The power to make regulations for the conduct of insurance business in the market could be delegated to this committee. The chairman of the council would also be chairman of this executive committee which would be known as the committee of Lloyd's.

4 The council and the committee would be given extensive powers to regulate the admission and registration of members, agents and brokers. The registration of agents and brokers would be reviewed every five years. These powers of regulation would replace the present system of contractual undertakings. In the event of any breaches of bye-laws or regulations, disciplinary proceedings could be taken before the disciplinary committee and a variety of penalties would be available including fines, suspension and expulsion. Appeals would be permitted to an appeal tribunal. In the light of the powers conferred by the new act any need for restricting the degree of ownership of Lloyd's Brokers by non-Lloyd's insurance interests (the so-called "20 per cent rule") would disappear.

5 There would also be regulations controlling the activities of individuals employed in senior positions in companies or firms of agents and brokers so that proceedings can be taken to punish or exclude offenders from conducting business at Lloyd's.

6 The council would have a power, subject to suitable safeguards, to veto the appointment and employment of any active underwriter if the council was not satisfied that he was a fit and proper person to hold such office.

7 The council would be empowered to carry out inquiries into the affairs of any syndicate, broker or agent and would be entitled to make orders of suspension when necesary to prevent serious damage to Lloyd's.

8 While the council would strive to maintain the tradition of not interfering in market and underwriting matters, the council would have extensive powers in relation to premium income limits and binding authorities, the maintenance of adequate means and deposits by all members, the provision of adequate information by agents to prospective and established members, the proper treatment of members by agents under the terms of a generally standard form of agency agreement, and the maintenance of adequate financial resources by brokers and agents.

9 The council would be responsible for esuring a higher standard of audited accounts and reports to members by their agents and for strengthening the independence of syndicate auditors.

10 The working party, by a majority, recommends that over a period of five years, shareholding links between Lloyd's Brokers and managing agencies and between non-Lloyd's insurance interests and managing agencies, should be terminated and that such links should not be permitted in the future. There would be no prohibition of links between Lloyd's brokers and members agencies.

11 All disputes between members of the Lloyd's community which did not directly involve outside third parties would be compulsorily submitted to arbitration. An arbitration panel, which would include independent outsiders, would be established to deal with all disputes referred to it.

12 The council would be responsible for encouraging the maximum possible amount of delegation of decision making and the recruitment and development of a permanent staff for Lloyd's of a calibre which will be able to carry out the additional responsibilities which implementation of the working party's recommendations will involve.

LETTERS TO THE EDITOR

Bank profits should be used to aid first time home buyers

From Mr John Heddle, MP for Lichfield and Tamworth (Conservative)

Sir, The building societies have forecast that they face a gigantic shortfall in the level of funds required to meet the future demand for mortgages—possibly as high as £4,000m.

At the same time the major clearing banks are about to announce that they intend to enter the home loan market in the next month or so following the abolition of the corset but they intend to limit these funds to the "top end" of the housing market by concentrating their lending to higher paid executives seeking mortgages in excess of £20,000.

As the average building society mortgage is between £10,000-£12,000 and with bank profits currently boosted by high interest rates, surely it is right that the banks have a duty to devote a proportion of their funds to helping first-time buyers desperately trying to climb on to the first rung of the home ownership ladder.

I believe too that the banks have a particularly important social role to play in providing mortgages for those council tenants who will wish to exercise their right to buy once the Housing Bill becomes law, particularly as significant support for the Government's policy of offering council houses for sale to tenants has come from the authoritative and politically independent Chartered Institute in Public Finance and Accountancy.

Yours faithfully,
JOHN HEDDLE,
House of Commons,
London SW1A 0AA.
June 19.

Index-linked savings are only a limited privilege

From Sir John Walley

Sir, What a breath of fresh air seemed to be blowing through your columns as I read Professor Pearce's analysis ("Consequencies of monetarism", June 19) of our parlous economic and political state!

I regret that, after more than fifty years involvement in our system of government as a civil servant, I have come to share his apparent conviction that the creation of effective public support for the steps necessary to remove inflation of the Queen's currency from the political options of ministers and civil servants is now beyond the reach of our system.

But might not Professor Pearce have completed his analysis by some reference to the introduction of index-linked national savings certificates as a political conscience saver? They give the whole game away.

(1) They are not an encouragement to genuine savings because they carry almost no "real" interest; they are sold by government (and sold very successfully) simply as a hedge against the future continuing decline in the real value of the pound.

(2) If they could be created, bought and sold, and redeemed without restriction they would very soon become Professor Pearce's new currency; they have, therefore, been made a highly restricted privilege—limited to certain classes of citizen, small in amount, and non-marketable.

Might not the enlargement, and ultimate removal, of the present limitations on the issue and use of these certificates provide a useful political objective for those seeking the return to a free-market economy based on a sound currency and honest government?

Yours truly,
JOHN WALLEY,
46 Rotherwick Road,
London, NW11.
June 19.

Seeboard refutes complaint

From the Secretary of the South Eastern Electrictiy Board

Sir, May I comment on a misleading letter from Mr Alan Angus headed "A 1,350 per cent increase in the price of electricity" which was published in your columns on June 19.

Mr Angus, who is a landlord for a small number of flats in Brighton, complains that the cost of electricity that he pays for the staircase lighting for these flats has been considerably increased. The facts are that in the past very low consumption customers paid very low energy charges, sometimes as low as a few pence a quarter. In many cases these charges were not enough to cover the cost of meter reading and billing even ignoring the cost of cables, meters and generating the electricity. These customers were therefore being subsidized by our other customers.

Seeboard decided this was inequitable and from April 1, 1980 has made a quarterly charge, at present £6.12, as a minimum which ensures that each of our customers pays the costs of providing his supply. I am sure that Mr Angus would agree that it is only reasonable that each of our customers pays his way and is not subsidized.

It may be worth Mr Angus considering that the quarterly charge works out at only 7p per day (even a daily read of *The Times* costs 20p) and for this he gets the convenience of an electricity supply which is instantly ready for use.

Yours faithfully,
DOUGLAS GREEN,
Secretary,
South Eastern Electricity Board,
329 Portland Road,
Hove,
East Sussex.
June 20.

Once again Great Britain is missing the bus

From Mr M. Cole

Sir, Why, oh why, does Great Britain have to lose out again? Due to lack of financial assistance to provide adequate space we now appear to be about to lose the prestige, not to mention a mere £100m in revenue, from holding the largest exhibition of its kind in the world — the International Textile Machinery Exhibition in 1983—at the NEC in Birmingham.

The so-called *Nationl* Exhibition Centre is not apparently what it seems and is really a localized effort relying on the support of Birmingham City Council for its financial assistance. How can the NEC be expected to compete with European exhibition centres if it is not truly a national effort? This applies not to ITMA 83 but to all the other major exhibitions that might come here rather than Hanover, etc, with the resultant revenue. In this particular instance though, would it not be nice for the weary, still battling British textile men to be able to play "host" for once instead of yet again pouring their precious cash into other pockets in their attempts to keep themselves in the world marketplace? Is the NEC another prestige project that must remain uncompetitive because no one can be bothered to develop it adequately?

Yours faithfully,
M. COLE,
International Association of Knitting Machinery Manufacturers
79, High Street
Esher, Surrey

Fair Tradings' need to consult with Advertising Standards Authority

From the President of the Association of Mail Order Publishers

Sir, Mr George Scott on behalf of the EEC Commission misquotes me and your report (June 17). I said, and was quoted as saying, that the report of the Working Party on Self-Regulation in Advertising was potentially dangerous in that it did not propose that the Director-General of Fair Trading should consult with the Advertising Standards Authority before exercising any power to apply for prohibitory injunctions against advertisements.

Of the EEC draft directive, I said only that the requirements were in breach of Article 189 of the Treaty of Rome. Article 189 reads:

"A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave the national authorities the choice of form and methods."

This is clear and unambiguous. May I suggest that Mr Scott reads Article 5 of the draft directive? Certainly a number of other drafts have breached Article 189, but it is never too late to stop a practice.

Yours faithfully,
VICTOR ROSS,
President,
Association of Mail Order Publishers,
1 New Burlington Street,
London W1X 1FD.

BY THE FINANCIAL EDITOR

Foseco's drive for expansion

ergers and takeovers are all the rage at moment, and the latest is yesterday's m offer by Foseco Minsep for Unicorn lustries. Unlike the more dramatic nouncement from Vickers and Rollsyce, however, this merger is less a matter industrial survival in an increasingly el world than the drive for expansion m a successful and well managed comy.

ertainly the offer has much to recomd it from a purely industrial standpoint. hough Foseco and Unicorn supply much same industries—chiefly steel, construc and finishing—their products are not petitive. Both stress the degree to which supply successive stages of the same esses.

nce Foseco looked at some 55 companies re alighting on Unicorn, it is presum happy about management compata y, and Foseco's present finance director the same post at Unicorn until two s ago.

it despite these positive factors the ket reacted cautiously, marking Foseco es down 6p to 164p. Part of the reason simply have been surprise. Although co's balance sheet was strong at the end st year—gearing was only about 24 per —there had been no hints of possible overs. Another and major part of the n, however, may be that it is not easy sess exactly what the terms mean for orn shareholders.

e offer consists of a choice between new Foseco shares for every five of orn or a cocktail of four Foseco shares, 8.25 per cent convertible redeemable lative second preference shares, and £3 sco 10 per cent convertible loan stock.

e absence of cash is noticeable, ugh Foseco may be keeping this for a gn bid. The problem seems to have that since Unicorn shares yielded 8.4 ent against Foseco's 5.3 per cent, Uni shareholders could suffer a drop of 29 per cent in income.

eco must also have been anxious as to retain as much relieved ACT as ble because 75 per cent of profits come abroad. Holders of Foseco shares will rnings per share cut by around 7 per But as the offer values Unicorn shares ut 62 per cent above the price at the of announcement it is unlikely to be d.

short-term excitement in the shares.

Post Office orders of £330m and £400m of defence work certainly provide protection against recesion but it would be rash to chase the shares to high at this stage.

Redland

Overseas strength

At first glance a Government brake on council house spending and interest rates punishing private housebuilding should mean a nasty year for building materials suppliers. But there has been a stream of surprisingly good profits from BPB Industries, Blue Circle, Marley, UBM and others. Yesterday it was the turn of Redland whose figures for the year to March 29 were good enough to lift the shares 6p to 177p.

The main reason is that the Price Commission is no more. Over the past year materials prices have risen on average by around 23 per cent. In some lines such as concrete tiles, they are about 26 per cent up, and in bricks by as much as 38 per cent.

The industry guess is that construction activity will drop by around 5 per cent this year. But if prices hold, the profits damage will not be too serious. This time round, moreover, the winter weather was a lot better than a year earlier, and several groups like Redland, have an overseas cushion.

Redland owns nearly 57 per cent of the West German building products leader Braas & Co, and it did better even than the group expected at the time of the interim figures last November.

Building up from a bad winter Braas took the credit for the way Redland's overseas pretax profits rose 67 per cent to £31.49m, thanks to a housebuilding boom.

It was a different matter at home where pretax profits slipped 2.4 per cent to £15.1m but they had to bear the interest costs of acquisition; Redland Pipes made, and is still making, losses but the Redland Purle waste disposal side went ahead by around 60 per cent. So total pretax profits were £57.29m against £45.20m, or up to £5m better than some City estimates.

Heavy foreign tax, slower and domestic capital spending meant a 42 per cent jump in total tax but the dividend, 27 per cent up against the 25 per cent forecast, is still covered almost three times by earnings and the yield is 5.4 per cent. Inflation adjusted, profits too are as good as £43.5m thanks mainly to low German inflation and high earnings on capital employed, and the debt equity ratio is less than 27 per cent.

ey

ast good news

y does not often surprise with good But yesterday's excellent results enough to set alight the rest of the cals sector as well as pushing r's shares up 18p to 178p.

30 per cent rise in pretax profits to in the year to March 31 surprised ne, adding weight to the theory that management changes of recent years ying off and that the leopard has changed its spots.

-fifths of the profit increase fell in nal quarter and was largely due to a kable performance by the telecomations main exchanges. The engineerike caused bunching of deliveries in nal quarter, the Strowger electronical exchanges finally turned into and there was also a £3m windfall from back-dated price increases.

t other parts of the business produced profit increases over the year with ception of electronic systems where gineering strike pushed deliveries 1980-81 and there were currency But this should recover.

flow and asset disposals covered of spending with enough over to debt and cut gearing from 31 to 25 nt. With £1,045m of orders—a 37 nt rise allowing for currency and ls—Plessey looks set fair.

latest results, however, should be artly as recovery from the pedestrian ss of the past and it is also worth bering that the dividend—increased -tenth—may not be covered by curst profits.

eld of 5.6 per cent and fully-taxed about 11 assuming profits rise to 0-80m range could still allow some

Renold

The recession takes hold

Renold is right in the thick of the engineering industry's present malaise. After a disappointing performance in the past, the sharp profits setback in 1979-80 has finally forced it to face the financial facts of life and cut the dividend by just over a fifth.

As it is Renold is having to dip heavily into its reserves to pay 11.4p a share gross after the £4m slump to £6.2m in pretax profits and a £11.2m turnround to losses of £4.3m at the attributable level after £6.2m of reorganization and closure costs and a £1.3m exchange loss on overseas assets.

Even so the market had been fearing something worse from a group at the sharp end of the capital spending recession and there was some comfort in the fact that after more than halved interim profits the second-half was down by just under a quarter at £3.82m. And there is still strong support from a yield of nearly 17 per cent at 68p up 6p yesterday.

Renold's problem area is still the domestic market where industrial disputes have been aggravated by poor demand at home especially in the second half and the effects of a strong pound. Overseas too strikes in France and Spain have dragged down its contribution in the second half.

With high stock levels inflating working capital, Renold's cash position has been helped by the sale of its Fenner holding. Interest gearing is uncomfortably high, however, with the £4.2m charge more than two-fifths of trading profits.

Richard Allen examines the Fisher report on Lloyd's insurance market published today

Wind of change in Lime Street

After 18 months and 79 rounds of discussion, a seven-man working party under the chairmanship of Sir Henry Fisher has come up with what Mr Peter Green, chairman of Lloyd's yesterday described as a "blueprint for change".

He strongly welcomed on behalf of his 16-man ruling committee the report's central recommendations for the creation of a 25-man Lloyd's Council, the transfer to it of rule-making and disciplinary powers and proposals for a new Act of Parliament to give effect to the body of suggestions.

And in a move which will surprise many traditionalists in the market, Mr Green gave his full personal support for one particular proposal which if enacted will cause by far and away the greatest upheaval in Lloyd's 300-year-old history.

The proposal agreed by the majority of the working party —one Lloyd's member dissented—is that within five years, insurance broking companies should be forced to divest their main underwriting interests within the market. It is a proposal which will lead to a bitter debate within the market and one for which Lloyd's sterner critics would hold out little hope of success within the given time-scale.

But to many in the insurance world the conflict of interest—through brokers controlling the underwriters to whom they channel business—lies at the heart of Lloyd's difficulties—and provides the biggest obstacle to its future success.

Many traditionalists in the market will disagree angrily. Mr Green himself both a long-standing underwriter and director of a broking group once made his view clear with the remark: "You do not have to commit incest just because your mother is the only other person in the house."

But Sir Henry has come up with sufficient examples of the abuses which could occur under the present system to ensure that the problem is not swept out of sight with quite the ease it was after the Cromer report made similar criticisms 10 years ago.

Sir Henry Fisher (left), chairman of the seven-man working party, and Mr Peter Green, chairman of Lloyd's: agreement on proposals to remove conflicts of interest.

His report says that the great majority of the larger managing agencies—which control syndicates on behalf of underwriting "names"—are broker-controlled or partially-owned by a Lloyd's broker. Indeed over 45 per cent of the entire underwriting capacity of the market is managed by "broker-controlled" agencies.

The report also draws attentin to the fact that some Lloyd's brokers, like publicly-quoted groups, are very large and account for a high proportion of the business brought to the various Lloyd's markets. In both the marine and non-marine markets five brokers account for nearly half the business, while in the aviation market more than 45 per cent of business introduced is produced by just three broking groups.

In the view of the majority of the Fisher working party, potential abuses abound. A Lloyd's broker could put pressure on an underwriter to write risks contrary to his better judgment, to offer preferential premium rates, to give higher commissions or to settle claims on terms with which he would not otherwise agree.

On the other hand, the broker could act against the interests of his client by giving business to his controlled syndicate although better terms might be available elsewhere.

And the report stresses that although evidence about actual abuses has been conflicting the working party has been told of cases where it is either known or strongly suspected that they have occurred.

One member of the working party advocated stopping short of compulsory divestment by the introduction of measures to reduce interference and improved investigatory and disciplinary procedures for the detection and punishment of offences.

Dismissing the dissenting view as inadequate to deal with the seriousness of the problem, the majority declares that the risks of abuses are now sufficiently well known to constitute a real threat to the good name of Lloyd's and could significantly prejudice the willingness of third parties to place business at Lloyd's or of potential members of Lloyd's to become "names" in the future.

Referring to the potential "hardship to brokers" of being forced to sell underwriting interests, the working party declares: "We believe that the mischief we are seeking to cure is sufficiently large to justify this risk."

Clearly the force of Sir Henry's comments have been sufficient to sway Mr Green to the view that the only way ahead for the market is to remove these conflicts of interests if not quite at a stroke, certainly with all reasonable haste.

But despite Mr Green's considerable influence as Lloyd's chairman and as one of its most respected members, and indeed the broad acceptance sounded by some big broking groups last night, the issue is bound to be fiercely debated.

The big publiclyquoted groups do not rely significantly on syndicate management earnings. But they generally believe they enjoy enhanced esteem in world insurance circles because of their underwriting involvement at Lloyd's.

After divestment, the brokers at Lloyd's would of course, still enjoy the privileged status of retaining an exclusive right to purvey business in the market.

They will also retain the right to control Members' Agencies which recruit names and place them on underwriting syndicates.

This could be sufficient to sway many broking groups to go along with the Fisher recommendations, but even then the argument could swing heavily on the mechanics of divestment and more importantly the price.

In referring to the potential financial effects of a forced sale the reports says that it considers that a five-year divestment period ought to ease the problems of disposing of assets at a fair price.

It also says that although it is hard to calculate the amount of profit attributable to the management function of syndicates in many cases this does not amount to a significant proportion of the profits of the parent organization.

As for the problems of finding suitable buyers for the management agencies, Fisher says that in its view there would be no shortage of individuals and institutions wishing to take over control.

At what price, however, may emerge to be the financial hurdle. Although agencies have changed hands relatively infrequently many Lloyd's officials claim that where changes have taken place the prices involved have reflected "extremely high" earnings multiples.

Seeing themselves pushed into a "buyer's market" by the Fisher recommendations, the brokers—particularly those in public ownership will see an obligation to fight furiously to preserve their financial interests.

Technology

West Coast answering service . . . with a difference

Brisbane, California.

The nucleus of the office of the future is to be found at work here, in the hills just south of San Francisco. What it provides is a telephone answering service, but it is a far cry from the written message in pigeon-holes procedure with which most people are familiar. Not only that: what the Voicebank Communications Centre in Brisbane is doing today the National Enterprise Board's Nexos office automation subsidiary will be doing (Sir Keith Joseph permitting) tomorrow.

The link between Voicebank in California and Nexos in Britain is the Delta computer, a large, powerful "communications engine" developed by Delphi Communications of Los Angeles, a majority-owned affiliate of the Exxon Enterprises subsidiary of Exxon Corporation, the oil company.

Last year, Nexos signed a deal with Delphi which gave the British company an exclusive licence to manufacture the Delta 2 computer in the United Kingdom and to market it for office automation throughout Europe. The Voicebank centre at Brisbane, based on the prototype Delta 1 machine, is operated by Delphi.

Using video terminals which present all relevant information, the operators at the centre provide a remote, personal secretarial service of high quality and individuality.

Historically, Delphi set out to develop an office automation system, not a telephone answering service. The aim was to handle text, data, voice and pictures. As a "terminal" the telephone was available, ubiquitous and familiar—but in conventional use its undoubted benefits of immediate voice contact were accompanied by many irritations and inefficiencies.

Delphi decided that a fully automated system, though feasible, would be limited and would not match the real needs of business people. It was essential, the designers decided to "include an operator in the loop". Thus the elements of the system included a large, reliable, expandable and flexible computer, an ability to handle various means of communication, and the participation of a human operator.

In many ways the requirement to handle voice communications is more difficult than those of data, text and images, and so the decision was taken to tackle this first. To get experience in the real-life use of such a system, Delphi decided to "put a business in"—ie, to operate the Voicebank centre.

The technology of the Delta is ingenious—the different requirements of information processing, file services, interactive services and "real-time" (eg, voice) operations are handled by four separate sections of the computer, which can easily be expanded or changed.

But the most time-consuming part of the development task proved to be not the technology but the "human engineering"—the effective blending of the human and machine abilities into a responsive system. "Our operators provide the binding, the coupling, the intelligence", says Mr Art Rosenberg, product planning manager of Voicebank. "There are rules of judgment—and the rules change."

The resulting Voicebank operation, in its basic form, provides a call screening or filtering service in which the operators ("telepohone secretaries" is a more accurate term) handle messages rapidly and efficiently—and pleasantly —and tailor their responses to the degree of urgency. They are guided throughout by instructions and information displayed on their video screens.

When a caller dials the number of a Voicebank client, the Delta system identifies the organization or person being called and immediately displays relevant information on it, him or her on the screen of the operator.

No Voicebank operator would dare to reply with a simple, uninformative "Hello". The exact salutation as specified by the client is displayed along the bottom of the screen—"Customized Cars. May I help you?", for instance.

Other sections of the screen give key facts about the client—the names of individuals likely to receive messages; procedures for different types of call; and a message form area where the operator types in the names, telephone numbers and messages of callers.

Thus the operators can in effect change their identities according to the number being called. They know the basic facts about the client they represent and can act to a large extent as if they were full-time secretaries on the client's premises.

Similarly, when a client telephones in for messages, the screen displays any messages received and the names of individuals authorized to receive them. At the client's discretion the messages can be erased, retained or printed out after they have been passed on by the operator.

Clients also call in with a range of ad hoc instructions. An operator replies: "Hi, this is Stephanie, may I help you?", for example, to be told: "I'm stepping out for ten minutes, would you take over?"

On to this basic answering business Voicebank has grafted a range of other telephone response services. These include order taking, special offer processing and the dispatch of service engineers.

They also include in a limited way only at present, the use of voice recordings to which a caller can listen without having to involve the Voicebank operator.

This allows long, technical or personal voice "memos" to be handled. In a more advanced form this is clearly one of the key elements in the development of future office automation systems.

Voicebank at Brisbane handles about 24,000 calls a day from Monday to Friday, or about 150,000 in a full week, on behalf of about 4,000 clients. It is done with a maximum of about 40 operators, falling to two on the "graveyard" shift at midnight.

For the future, Delphi envisages a network of Voicebank centres across the United States.

Kenneth Owen

Business Diary: Sullivan's travels • Bankers' half measures

Sullivan, a decade age d of Chase Manhattan London, is taking on ghest job in American cial banking: chairman ef executive officer of hicago Corporation, the company of the ninth United States bank, ational of Chicago.

an, 49, takes over a bank oks like a battlefield. s have been poor, and 0 executives have been nd fired in the five nce Robert Abboud beairman.

g then fired Abboud, pany's outside directors for an outsider who ake a fresh start withnies in Chicago. Sullivan n with the New York 25 years.

Perkins, president of nal, Chicago's other k, who used to joke boud was his biggest elt moved to issue a t congratulating First on Sullivan's appoint-

an had been in the for the presidency of now that Willard is to succeed David ller as chairman. But has gone to a younger homas Lebrecque, the ld head of Chase's reking.

One man will today take a special pride in the fine profits announced by building materials giant, Redland. He is Tony Morgan, 48, a man not unused —a few years ago—to the flattery of press tipsters, brokers and investors.

Redland was proud to announce that a key to its majestic progress was none other than the waste disposal division bequeathed by Morgan.

A former Olympic Oarsman Morgan took his waste disposal business, the inaptly named Purle, to the height of City fashion. They called him "Mr Dumper".

Recognition comes when someone wants to buy what you have. Or does it? In fact Redland and Ready Mixed Concrete vied in 1971 for Purle. Redland had the holes, Purle the muck. Redland won, and its then chairman Lord Beeching, better known for ripping up railways than his stints at ICI and the building materials group, said the price paid was "high but reasonable".

Alas, Purle's profits were short-lived; it has taken eight years to pull it round to Redland's satisfaction. Chairman Colin Corness, said: "Morgan is a good businessman. He has real flair."

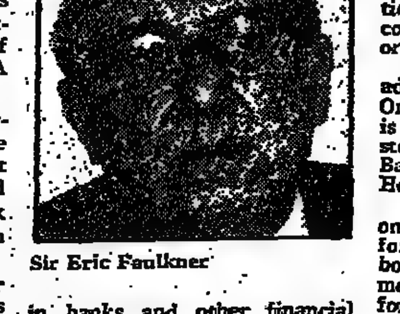
As for Morgan, he left Redland after 18 months. He is now an employee of George Wimpey, but still disposing waste. The man once feted in a Sunday colour supplement told Business Diary: "For four years I have been happy in total isolation from the press. I plan to keep it that way." Oh ingratitude!

● Sir Eric Faulkner, former chairman of Lloyds Bank, yesterday succeeded Lord O'Brien of Lothbury, former Governor of the Bank of England, as president of the British Bankers' Association, an event of some moment within the BBA but perhaps not outside.

The BBA is an august gathering of senior bankers whose main purpose is to represent banking to the Bank of England in the same way as the Bank represents the Government to banking.

If Sir Eric were looking for some topic to distinguish his presidency from that of his predecessor, he might care to take note of a document that came out yesterday, the same day as the BBA annual report.

This is *Women in Banking and Finance*, published by the Banking Insurance and Finance Union. This reminds people that over half the people employed



Sir Eric Faulkner

in banks and other financial institutions are women, yet the proportion of women in banking's four main grades of employment varies from 75 per cent in the lowest grade to 17 per cent or less in the highest.

BIFU, nearly half of whose members are women, is busy organizing among women employees as a clearly disadvantaged section of bank employees. The union's position might be stronger, however, were there more than two women on the executive of 16. The proportion is even lower when it comes to full-time officials and organizers.

Should Sir Eric care to seek advice he need not look far. One distinguished BBA member is Lord Armstrong of Sanderstead, now chairman of Midland Bank, but a former head of the Home Civil Service.

The 1971 Kemp-Jones report on conditions of employment for women in the Civil Service both improved women's treatment there and set the pattern for the subsequent Equal Pay and Sex Discrimination Acts which did much for women in other employments—if not notably in the banks.

The figures show that the banks are not doing as much as they can to promote less unequal opportunity. The Civil Service, meanwhile, is already updating Kemp-Jones.

● Alan Farrar, the marketing manager of Paper Mate, has some interesting and recently commissioned figures on the throw-away pen business here, as his company, a Gillette subsidiary, tried to break into the office supply market.

He says that we buy 11 such pens per head per year (560 million), at a cost of £2 a head (£100m). Two out of three come from work ("nicked," in Farrar's phrase)—and there is the rub.

Big employers often still buy from wholesalers rather than direct from the manufacturer, possibly because the wholesaler also stocks other office products. ICI, he reckons, buys 300,000 throw-aways a year in this way.

Perhaps a tenth of disposable pens are bought directly, nearly all of them by cost-conscious government departments and local authorities. The biggest single such order in the world, he says, is that of HMSO, which is as tough if not tougher than any business negotiator.

Will yesterday's Wilson report be as successful as its precursor, the interim report on the financing of small firms? This has received the accolade of being chosen as a set book by the Oxford and Cambridge Examinations Board for "A" level Economics students.

Ross Davies

Stock markets

Prices drift as profit-takers move in

The overall stock market picture was dull yesterday, although a few sectors provided notable exceptions, including oils, electricals and the Australians. Equities opened extremely well after Sir Geoffrey Howe's speech at the Carlton Club where he urged moderation over pay and hinted at increased optimism over inflation in future.

But the euphoria was short-lived as the end-of-account *profit takers moved in and the* market soon started to drift, although jobbers believed there was a firm undertone to trading.

Company news also provided many of the day's features. *Plessey's and Electrocomponents* figures ensured that the *sector was the equity leader* all day.

Gilts were more disappointing as the two new taps received an unenthusiastic reception. The longer-dated Treasury 13 per cent was activated at £30¼. *The Government broker* tried it at £30¼, but with no buyers, withdrew after which dealers saw some profit-taking. But there was no interest in *the shorter-dated stock which* remained at its partly paid £40 price.

Longs continued to fluctuate all day and finally closed at Wednesday night's levels, while shorts finished about £3.16 down although some had been as much as £¼ better during the day.

The *FT* Index, which was a fraction down for most of the day, closed at 466.7 up 0.8.

Leeading industrial stocks showed little change on the day as there was not much turnover. ICI managed to climb 8p to *390p on the strength of the oil* find in the Ninian Field, but finished back at the previous night's level of 382p. Unilever dipped 5p to 471p. Glaxo at 224p, Beecham at 140p, Courtaulds at 73p and Dunlop at 79p were all unchanged, and BAT Industries slipped 3p to 258p. *But Blue Circle bucked the* trend up 2p at 350p, strengthened by Redland's 6p rise to 177p on its results.

Company results also ensured a 7p rise to 82½p for Anderson Strathclyde after news of a £6m rights issue and a 43 per cent profits increase. Burnett and Hallamshire *added* 15p to 670p to celebrate more *than doubled earnings.*

Renold jumped 6p to 68p after hours with news of a significant second-half recovery. The earnings and dividend cuts had already been discounted. Plessey added *18p to 178p* on its results, while Electrocomponents gained 25p to 585p after better-than-expected figures. This helped to push prices in the sector up to some of their highest levels. Ferranti moved up 22p to 599p, Thorn EMI finished 4p better at 292p, while GEC was 6p up at 408p. Racal gained 9p to 270p.

But the problems of the car industry were sufficient to push engineering stocks down several pence. GKN closed 5p off at 238p. Lucas lost 4p to 200p and Tube Investments was 2p lighter at 270p. Henlys' interim results ensured a 3p drop to 70p but *Rolls-Royce Motors* returned from suspension 4½p better at 65½p, while bidder, Vickers lost 4p to 126p. Unicorn Industries hardened 2p to 124p on the offer from Foseco Minsep, which dipped 8p to 164p. *Revertex gained 2p to 51p* after rejecting terms from Yule Catto *which gained 4p to 115p.* A property revaluation helped Milford Docks by 20p to 173p but Mothercare dipped 18p to 248p on the chairman's statement.

Lonrho moved over the 100p *mark by gaining 5p to 101p as* rumours persisted that results were imminent, but Horizon Travel was hit by the spate of bombings in Spain and lost 7p to 263p.

The oils sector continued to bubble away on the strength of the Ninean field oil find, although prices closed off their best with profit-taking. BP, which announced the find on Wednesday, added 4p to 380p, despite brisk turnover, but partner, Lasmo held its 38p gain to 754p. Ranger Oil, which is also involved, added £1½ to £14½ and Tricentrol performed well rising 4p to 386p. Shell dipped 2p to 402p, but Ultramar gained 2p to 376p.

The secondary oil stocks also forged ahead with Berkeley Exploration rising to 238p at one point, although it finished at 216p, down 2p.

Equity turnover for June 25 was £113.66m (number of bargains 15,555).

The most active stocks, according to Exchange Telegraph were: Lasmo, Premier, Plessey, Charterhouse, Rolls-Royce Motors, Unilever, BAT Industries, Boots, European Ferries, GKN, Marks and Spencer, Burmah, Allied Breweries and Beecham.

Traded option contracts amounted to 1,088, despite the drift in equities. In traditional *options, calls were produced in* Debenhams, Premier, Woodside, Lasmo, Avana, M. L. Meyer and Lonhro. Puts were arranged in Woodside and Berkeley Exploration.

With the 12-month period since BTR made its unsuccessful bid for Bestobell drawing to a close, the market is waiting to see if BTR will try again. Yesterday, the share price went up 4p to 330p, while Bestobell gained the same to 238p.

Latest results

Company Int or Fin	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Anderson Strclyd (F)	72.2(53.3)	5.8(4.0)	12.2(9.1)	3.0(2.0)	8/8	4.0(3.0)
Assoc Com Corp (F)	167.6(133.8)	16.3(14.1)	22.19(16.77)	7.0(7.0)	—	11.43(11.63)
Barlow Hldgs (F)	7.7(—)	3.4(—)	—(—)	2.0(—)	8/8	3.0(—)
Braid Corp (I)	22.1(16.0)	0.18(0.25)	3.08*(4.26)	Nil(0.55)	—	—(—)
Castlefield Rubber (I)	—(—)	—(—)	—(—)	1.7(1.4)	1/8	—(—)
J. Booth & Sons (F)	8.4(7.7)	0.02(0.19)	3.5(10.4)	1.0(2.16)	4/8	—(—)
Burnett Hallam (F)	85.1(42.5)	7.3(3.5)	—(—)	4.5(3.29)	8/8	8.0(—)
Countryside Props (I)	7.7(5.3)	0.73(0.51)	11.9(8.2)	1.4(1.0)	10/9	—(—)
Dixon-Strand (I)	0.33(0.19)	—(—)	17.9*(0.61)	Nil(Nil)	—	—(—)
Durapipe Int (F)	14.3(12.5)	0.80(1.0)	6.58(8.47)	1.98(1.8)	7/8	2.6(2.35)
Electrocomponts (F)	57.4(44.4)	13.1(10.0)	35.7(26.9)	5.25(5.0)	1/10	8.75(6.50)
B. Elliott (F)	116.8(96.0)	11.3(9.4)	46.92(43.98)	7.25(7.25)	17/10	12.25(10.0)
Evans of Leeds (F)	4.1(3.2)	2.0(1.8)	7.1(6.2)	3.0(2.5)	—	—(—)
Flexello Castors (I)	5.0(4.9)	0.17(0.42)	—(—)	1.41(1.41)	31/7	—(—)
Henlys (I)	95.1(100.5)	0.43(2.1)	1.3(9.6)	3.0(3.0)	[illegible]	—(—)
Hardys & Hansons (I)	5.6(5.2)	1.1(0.94)	11.27(9.0)	3.1(2.6)	—	—(—)
Hellenic & Gen (F)	—(—)	1.1(0.94)	—(—)	—(—)	—	—(—)
J. & H. B. Jackson (I)	15.4(13.4)	1.8(1.5)	3.63(3.02)	0.7(0.6)	14/8	—(—)
Johnson & Barnes (F)	2.4(2.9)	0.14†(0.01*)	—(—)	Nil(Nil)	—	—(—)
Killnighall Rubber (I)	—(—)	—(—)	—(—)	4.0(3.5)	1/8	—(—)
J. L. Lees (F)	1.6(1.4)	0.09(0.07)	5.8(4.6)	1.85(—)	[illegible]	2.5(2.3)
London Asso Inst (F)	—(—)	0.05*(0.09)	0.72*(0.56)	Nil(Nil)	—	—(—)
Lookers Ltd (I)	36.9(32.4)	0.40(0.80)	4.0(5.7)	1.4(1.4)	—	—(—)
Lonsdale Univ (I)	21.8(18.2)	1.3(1.2)	5.86(6.90)	1.85(1.67)	7/8	—(—)
Plessey (F)	751.0(648.0)	60.1(46.2)	16.7(13.1)	4.01(3.65)	2/1/81	6.94(6.31)
Renold (F)	123.4(127.6)	6.22(10.2)	7.9(14.9)	5.2(7.5)	12/8	8.0(10.25)
Radiant Metal (F)	0.90(0.71)	0.26(0.19)	—(—)	2.0(1.55)	13/9	3.0(2.1)
Redland (F)	495.0(396.9)	57.2(45.2)	20.91(19.63)	4.0(3.2)	—	6.6(5.24)
Shaw Carpets (F)	34.4(30.8)	1.0(1.6)	4.8(8.0)	1.5(1.5)	15/8	2.0(2.0)
Textured Jersey (F)	9.5(8.8)	0.83(0.67)	16.3(13.2)	3.0(2.0)	22/9	4.5(3.0)
Uniroyal (F)	71.8(75.0)	2.9(0.49)	—(—)	—(—)	—	—(—)
Stead & Simpson (F)	35.0(28.8)	3.8(3.2)	9.71(6.37)	3.25(2.75)	5/8	—(—)
Whatlings (I)	11.9(8.05)	0.09(0.28*)	1.17(3.35)	0.9(0.9)	26/9	—(—)
Whittington Eng (F)	1.3(—)	0.18(—)	—(—)	2.1(1.4)	—	—(—)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply net dividend by 1.428. Profits are shown pre-tax and earnings are net. *=loss. †=net loss.

Cash call for £6m by Anderson Strathclyde

By Philip Robinson

Anderson Strathclyde, the mining and industrial equipment makers on which Charter Consolidated staged a "dawn raid" in the market to gain a 28.4 per cent stake, yesterday launched a rights issue to raise £6m.

Shareholders are being *offered one new share at 65p* for every four already held. The issue price was at a 16 per cent discount to yesterday's opening market quote, but jumped to 27 per cent as the shares added 7p to 82½p last night.

What sent the shares rising —*an unusual trend when com*panies try to raise cash from the market—was Anderson's 43.6 per cent lift in pretax profits for the year to the end of March, a 33 per cent dividend increase, and a board promise to *at least maintain* the dividend for the year, although it feels it imprudent for to forecast the year's profits.

At the pretax level, earnings rose from just over £4m to £5.86m on a 5.5 per cent advance in turnover to £72.3m. The gross total dividend is 5.7p with a 4.285p final.

The figures surprised the market, bracing itself for bad news after the interim statement in November revealed that the group had suffered badly from a domestic strike followed by the national industrial disputes in August and September. The first half results showed a loss of £1.436m.

Anderson is the second manufacturing company and the first engineer to ask the market for money this year.

It needs it, says the board, because *increases* in working capital requirement caused by inflation have been financed out of the group's own resources and borrowings. At present the group has loan capital of £6.5m and bank overdrafts of £4.2m.

The group says it has nothing *specific in mind for the new* cash, but much of it is likely to end up expanding Anderson's small United States offshoot where "opportunities for further expansion now exist" as the worldwide demand for coal increases.

Stead and Simpson higher

By Our Financial Staff

Stead and Simpson saw profits from its motor trading side jumped by 35 per cent last year to £701,000, which helped push the group pretax figure 16 per cent higher to £3.8m.

Footwear retailing remains the group's largest profit earner. Its contribution rose by *12 per cent* to £3.1m for the year to March.

Group turnover rose by 22 per cent from £28.8m to £35m. The group's retained profits showed a gain of 47.6 per cent to a shade over £2m helped by the sale of properties.

Shareholders will receive a final dividend on the ordinary and "A" ordinary shares of 3.2142p which, with the interim of 1.428p, gives an 18 per cent rise in the total payout at 4.642p.

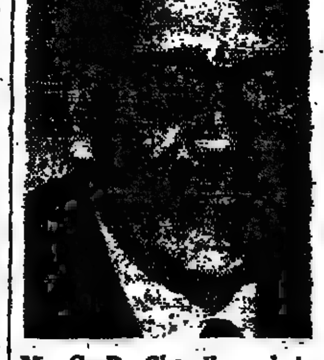
Half-time results slump at Henlys

By Bryan Appleyard

The full force of BL's in market share and the thin profit margins to be on its cars hit distrib Henlys in its first half to M 31.

Pretax profits slumped £2.1m to £438,000 on tur down from £100.5m £95.

Below the line, the pi looks a bit rosier, thanks £713,000 extraordinary c



Mr G. R. Chandler, chair of Henlys.

arising from the closure branches. These disposals lised £900,000 in all.

Further shares are now b negotiated with a total value of £2.25m.

The turnover fall was tirely due to the fall in u sold. Although the car ma as a whole was slightly up the period, BL's penetra slumped.

However, Henly's ste moves away from BL de dence have started taking ef following the acquisition c *major Ford dealership in* fast and a Renault business Manchester. Last year, non operations contributed 45 cent of trading profits and t portion will have been hig this time.

This movement away from has also led the company look for diversifications linked fields. Though balance sheet has deteriora since the year-end, it s appears to be strong enough bear some acquisitions.

The interim dividend been maintained at 4.3p gr and "provided that there signs of improvement at time of the final results, board intend that the final maintaied".

Profits doubled at Burnett & Hallamshire

By Our Financial Staff

The wheel has not quite turned full circle at Burnett & Hallamshire Holdings. *Once it* ran a door-to-door coal business. Then it became a building and fuel oil group. Now it is easily the largest open-cast coal-miner in Britain which, when it has finished with them, *fils up the holes it has made,* often turning them into housing estates.

Yesterday, Mr George Helsby, chairman, reported turnover all but doubled to £85.1m in the year to March 31, while *pretax profits* more than doubled from £3.53m to £7.32m. Tax rose more sedately, to leave attributable profits after minorities at £6.1m against £2.6m.

Against these figures the progress in the key indicator, earnings a share by less than 71 per cent to 89.6p may seem an anti-climax, but a dividend virtually doubling to 8.0p a share (11.44p gross), with a final of 4.5p a share must be consoling.

This payment absorbs a mere £674,574 from the £6.1m attributable profits. Five years ago *pre-tax profits were only* £1.3m and attributable profits £607,000.

Acquisitions have clearly played *their* part—Mining Investment Corporation (open-cast coal-mining) joined last September and April saw the acquisition of Lowes Oils, an *unbranded distributor* of heavy fuel oils and middle distillates —but profits a share have more than kept pace. The construction division has also done well.

Meanwhile, capital employed is now almost £29m, increasing asset value a share by 86p to 341p. Despite this heavy investment, gearing remains low.

*The group is seeking acquisi*tion both at home and abroad, and profit progress so far, Mr Helsby considers, "sets a platform for future stable growth". The shares rose 15p to 670p yesterday.

Liquidator for cargo airline

Shareholders and creditors of Gatwick-based British Cargo Airlines, which called in a receiver to handle its affairs in April, will meet in a Sussex hotel today to appoint a liquidator. The airline, formed last August following a merger between IAS Cargo Airlines and the Stansted carrier, Transmeridan Air Cargo, employed nearly 600 staff in the United Kingdom and in 10 overseas countries. It was a publicly-*quoted company following its* entry into the unlisted securities market in January, 1979.

Bank urged to maintain flexibility

By Roman Eisenstein
Banking Correspondent

Lord O'Brien of Lothbury, *former Governor of the Bank* of England and retiring president of the British Bankers' Association, has urged the Bank to "maintain a flexible and reasonable approach to banking supervision".

Writin gin the association's report for the year to the end of March, he says that this is essential not only for the banks but also to maintain London as a leading international financial centre.

In reviewing banking supervision in Britain, Lord O'Brien asys that the Bank of England's consultative paper on the *measurement of capital is near* completion and that a number of changes proposed by the BBA, including greater flexibility in application, have been *accepted.*

Reporting on reporting requirements being introduced in the United States, Lord O'Brien expresses concern on behalf of British banks. He stresses that the Federal Reserve Board's proposals extend to the right for detailed information at *British based head offices of* banks with branches in the United States and to all material interests outside the United States.

Banking costs are mounting

In a new *international* comparative study of banking costs and profit margins, published in OECD's latest "Financial Market Trends," Professor Jack Revel of the University College of North Wales says that there *has been a general rise in* operating costs since 1968 and, that for most of the banks analyzed, the ratio of capital and reserves as a proportion of total business have been falling.

Statistics for banks of 15 countries analyzed show that operating costs as a proportion of balance sheet totals have risen in all countries except Austria, France and the Netherlands. Margins of earnings have fallen in most countries, while the fall in capital ratios has been steep for several countries, especially Austria and France.

Briefly

Radiant Metal Finishing Co: Turnover for year to February 29, £905,800 (£717,600). Pretax profit £269,200 (£196,300). Final dividend is 2.85p gross (2.21p gross) *making 4.28p gross (2.9p gross).*

Mitchell Somers: Company has acquired Tritube Ltd for 3.3 times average annual profits of Tritube for the three years ending Dec 31 1982. An initial non-returnable down-payment of £800,000 having been made. Pretax profits of Tritube for 1979 amounted to £229,000 on sales of £7,139,000.

Uniroyal: Turnover for year to Dec 12, 1979, £71.8m (£75.0m). Pretax profit £2.9m (£499,000). Company has used proceeds of sale of its tyre business at Newbridge to reduce bank borrowings and finance planned growth in other areas of business.

Marlborough Property Hldgs: Chairman, Mr M. M. Lange, says: "Shareholders may be interested to learn that board intends to carry out a revaluation of group's property portfolio at end of year. This will reflect significant increase in asset value per share of company, which will be reflected in accounts for year ended December 31, 1980".

Braid Group: Turnover for half year to March 31 £22.1m (£16.0m). Net loss £181,400 (profit £259,100). Loss per share 3.08p (earnings 4.26p). No interim dividend (0.79p gross).

T. Cowie: Acceptances of T. Cowie's basic offer for George Ewer and Co as at three per cent on June 25 amounted to 10,997,419 Ewer shares, including acceptances of the all cash offer for 10,182,586 Ewer shares. Basic offer became unconditional in all respects on June 18. Aggregate of shares owned by Cowie and acceptances to basic offer now amounts to 18,761,419 Ewer shares, representing 92.34 per cent of total enlarged issued share capital of Ewer.

John Folkes Hefo: Chairman said at agm: "Steel strike reduced profits of steel and engineering units and after effects will take until September to wear off. Improved results from industrial property, forgings and merchanting units will probably more than compensate."

South Staffordshire Waterworks: Applications in respect of the offer for sale by tender of £6m 9¾ per cent redeemable preference stock 1985 totalled £16.9m. Average price of allotments £101.51, lowest tender accepted being £101.26.

Kwik-Fit (tyres and exhausts) Hldngs: Company has acquired *outstanding* 25 per cent of its subsidiary Kwik-Fit (Southern). Vendor was Mr S. H. Saunders, director of Southern, and acquisition follows exercise of an option by Mr aunders granted upon the icorporation of Southern in 1975.

London and Assoc Invst Trust: pretax loss for year to December 12, 1979 £54,200 (profit £91,100). Loss per share 0.72p (earnings 0.56p). No dividend (same).

FINANCIAL NEWS

First downturn in five years at ACC

Associated Communications Corporation, the television, films and property group headed by Lord Grade, yesterday reported its first fall in profits for five years. For the financial year to March 31 pretax profits are down from £16.3m to £14.1m on sales up from £134m to £167.5m.

The group has been affected by a slump in television profits, high interest charges and overruns on the film "Raise the Titanic" which opens in Boston, Massachusetts, on July 30. The final dividend is, however, maintained at 4.9p a share.

The market was expecting bad results and the "A" shares were only a shade easier at 94p. Most of ACC shares traded on the Stock Exchange are non-voting "A" shares.

At the interim stage profits were down from £6.1m to £5.7m and the fall accelerated in the second half when profits fell from £10.2m to £8.4m. On Wednesday ACC announced that it was merging its lossmaking subsidiary, Precision Records and Tapes, with a subsidiary of RCA, the American group, into a company to be called RCA Records/PRT in which ACC is to have a 49 per cent stake.

The profits are complicated by the existence of large sums debited on "extraordinary items" and a huge fall in taxation. Extraordinary items are up from £164,000 to £1.02m and taxation is down from £7.5m to £1.9m. The net effect of this is that profits attributable to shareholders are up by nearly 30 per cent at £11.16m.

The results from individual divisions do not present a uniform pattern. The independent ACC £3.5m, caused profits to

Lord Grade, chairman of Associated Communications.

fall by 38 per cent to £3.9m.

Except for a loss of £1,24m on records and tapes, other divisions have reported either higher or broadly unchanged profits. It was probably inevitable that rising costs and interest charges brought charges attributable to the holding company, including interest, up from £729,000 to £4.44m.

There are various uncertainties affecting the future of ACC. Lord Grade has staked a lot on a push into the highly competitive American film market, and the success or failure of the film division will largely affect future profitability.

At home the recession and almost certain fall in discretionary spending will adversely affect the group, as will the split of its Midlands television franchise into two regions.

On the more positive side is the undoubted potential of home video systems and ACC's ability to gain a large share of the market.

Electronics group beats forecast by £500,000

By Pester Wilson-Smith

Electrocomponents ended the year to March 31 on a strong note despite the caution sounded by the company at the interi mstage. After rising by 26 per cent in the first half, profits of the electronic component distributor increased by 34 per cent in the second half.

This left the year's pretax surplus up by 30 per cent to £13.1m—about £500,000 above expectations. Group turnover was 29 per cent higher at £57.3m reflecting both volume growth and a substantial element of price increases.

The shares rose 25p yesterday to 585p where they yield 2.1 per cent following the one third increase in the total dividend to 12.5 gross. On a full tax charge the p/e rate is 18.7.

Mr Ronald Marler, the chairman, says this year will be tougher. Customers are becoming more conscious of expenditure, and taking steps to curtail or slow it.

However, he points out that R.S. Components—the main distribution company, accounting for perhaps three-quarters of group sales and profits—sells largely to customers involved in maintenance and research and development rather than production. This should, he thinks, provide some protection from the recession.

"I expect growth this year", said Mr Marler, "but by golly we are going to have to fight for it."

Electrocomponents has continued to generate surplus cash despite having to finance higher working capital needs. Cash balances of £5m at March 1979 increased during 1979-80 and higher interest earned will have contributed to the profits rise, although the group does not disclose the figure until the accounts are published.

Year-end stocks will also show a sizable increase, reflecting both inflation and the higher level of business. At March 31 Electrocomponents was carrying just over three months' stock, compared with just under three months at the previous year end. However, stocks have been cut at Electrospares, which sells to high street electrical retailers, an dother areas.

Electrocomponents earns almost all of its profit from component distribution in contrast to companies such as Unitech and Farnell, of which it is often compared, but which have larger manufacturing operations.

Electrocomponents has continued to broaden its catalogue to include more high technology solid state products.

Harris sells credit group

Harris Queensway, the furniture carpets and DIY group which made a successful £15.5m takeover bid for Henderson-Kenton two months ago, has sold H-K's credit business to Tricity Finance for £12m.

Proceeds of the sale will be used to reduce Henderson-Kenton's borrowings of between £4 million to £5.5m. The remaining £7m will be used to develop the existing business.

Harris's bid for H-K involved paying £14m of the total value in cash. This sale to the Finance company, owned 51 per cent by National Westminster Bank and the rest by Thorn EMI, means Harris effectively bought the company for around £7m.

This is the second occasion on which Harris chairman Mr Philip Harris has sold the credit business of a company which his group has bought. He sold the credit business of Hardy & Co (Furnishers) which the group bought last year.

Amal Industrial passes preference

Due to cash flow problems, Amalgamated Industrials' board has decided that it would not be practicable to recommend the payment of the interim dividend on the 10.6 per cent cumulative second preference shares.

It is hoped that the resumption of dividends can take place in the future. It is also possible that the next dividend on the shares will be passed, but the board will give consideration to it at the appropriate time.

There should, however, be no question of the next payment of interest due on the debenture stock 1989/94 in the company.

Hardys and Hansons rises 24.7 per cent

Hardys and Hansons reports a turnover for the half year to March 28 of £5,625m against £5,227m. Taxable profits rose 24.7 per cent to £1.17m. Earnings a share were 11.275p against 9.035p. The interim was 4.43p gross against 3.7p.

The profit includes dividends and interest receivable, less interest payable at £210,000 against £113,000. The profit on trading was up by 16.3 per cent but higher interest rates helped to increase pre tax profits.

Although trade compared with the previous year was good between Christmas and Easter, it has since been disappointing.

Lonsdale Universal up 15 pc for half year

Turnover of Lonsdale Universal rose by 19 per cent to £21.5m in the six months to March 31, but pretax profits of this industrial holding group dipped 15 per cent to £712,000.

National disputes within the printing industry were not resolved until the end of May, and are expected to reduce trading profits by more than £125,000 in the current year.

The dividend is raised from 1.67p to 1.85p.

Over the full year the group does not expect to reach last year's level of net profits.

Durapipe holds payout after profits slide

Durapipe International reports a rise in turnover for the year to March 31 from £12.6m to £14.3m but pretax profits slid from £1m to £806.00. Earnings a share were 6.58p against 8.47p and the dividend was 3.7p against 3.35p gross.

The board says that the Middle Eastern and Australian ventures are now proving worthwhile, but the American corporation will not be truly successful, despite the action being taken, until the economic situation in the US improves.

At home, the recession is having a marked effect upon the engineering company and Durapipe is experiencing a downturn in demand.

Whatlings turns loss into profit

Over the six months to March 31, Whatlings turned a loss of £280,000 into a pretax profit of £99,000, on turnover of £11.921m against £8.04m. Earnings a share were 1.17p against a loss of 3.35p.

The year as a whole will result in a record turnover, which is partly due to the high rate of inflation, the board says.

Government statements regarding lack of growth and cuts in public expenditure continue to depress margins and make the future workload uncertain. Nevertheless, the directors are confident that there will be a further improvement on the position now reported.

Flexello profit more than halved

Turnover of Flexello Castors and Wheels inched ahead to £5m for the half year to March 31, but pretax profits were more than halved from £426,000 to £170,000. However, the interim is held at 2p gross. Due to a change in accounting for depreciation, the pretax profit has been increased by £25,000.

There has been a significant reduction in the amount of new business generated in the United Kingdom, and domestic sales were below expectation, although exports were close to target.

Although every effort is being made to improve margins through greater efficiency and cost savings where possible, it would appear that the final profit figure for the year will be substantially less than that achieved in the last financial year, the board says.

Agricultural Mortgage issue

Agricultural Mortgage Corporation plans to issue £2.50m at 14½ per cent bonds on July 3 at £100 per cent. Interest, less tax, will be payable on December 27 at £7.3125 per cent and on July 3, 1981 at £7.5529 per cent.

The bonds will be redeemed at par on July 3 next year and are secured by a supplemental trust deed in favour of the Whitehall Trust and Rank equally with the existing issues of debenture stock and bonds.

J & H B Jackson climbs to £1.8m

On the back of a rise in turnover from £13.4m to £15.4m, J. and H. B. Jackson pushed up profits for the half year to March 31 from £1.5m to £1.8m before tax. Earnings a share were 3.63p against 3.02p and the interim dividend was 1.05p against 0.93p gross.

The second six months will obviously be adversely affected by the downturn in demand for cars, scrap metal and general engineering products, the board says. But in spite of this it expects the group to produce record profits for the year.

Profits of £30,000 have been realised in the year to date on sales of quoted investments, against £272,000 for the whole of last year. Quoted investments now held have a value in excess of £5m.

Countryside moves ahead

Over the six months to March 31, turnover at Countryside Properties rose from £5.4m to £7.756m and pretax profits from £514,000 to £753,000. Earnings a share were 11.5p, against 8.2p. In the light of present economic conditions the board feels that it would be prudent to hold the interim at 2p.

The board is seriously considering the building up of a property investment portfolio and are looking to the retention of selected commercial properties when built and let.

The board warns shareholders that profits for the year may not reach the record level of last year when conditions were more favourable, but it expects the results to be reasonable in the light of the present economic climate.

Derbyshire mine issue announced

By Michael Prest
Mining Correspondent

Hard on the heels of the public offering of shares in South West Consolidated Minerals comes another new British mine, SPO Minerals. About £1.1m is to be raised by placing 1.5m shares at 80p each for a barytes, lead and fluorspar mine in Derbyshire.

The guiding force behind the venture, which is being brought to the market under Rule 163 (2) by Grindlay Brandts and Carr Sebag, is Mr Robert Sprinkel, the American entrepreneur who played a major part in rescuing Wheal Jane, the Cornish tin mine.

A further £900,000 is to be raised as lease finance from the International Energy Bank. About 16 per cent of the new shares will be placed with jobbers, the remainder with institutions. It is understood that Mr Sprinkel was especially anxious to place as many shares as possible publicly.

Barytes is a mineral with a very high specific gravity used for preventing blowouts in oil wells by weighting drilling mud. It also has lubrication qualities. SPO, which takes its name from the South Pennine Orefield, will refine the ore from old mine dumps in the Pennines and sell it on long-term contracts to North Sea users.

Lean times at Shaw Carpets

By Our Financial Staff

Shaw Carpets, currently caught in the tangle of cheap United States imports, high interest rates and a strong pound, pleased the stock market yesterday with better-than-expected profits.

Warning signals of lean times for the carpet industry culminated in the group's share price dropping to a new low for the year on Tuesday. Last night the price firmed to 26p as the group reported a 36 per cent profits drop, an 11.8 per cent jump in sales and a maintained dividend.

Mr James Hartley, chairman, says that the performance at his Yorkshire-based plain and patterned tufted carpets group has continued to be "satisfactory" if below the expectation held at the start of the year.

Profits dropped from £1.64m to just over £1m on a turnover up from £30.8m to £34.5m. Direct exports dropped from £6.9m to £4.5m. The total gross dividend is unchanged at 2.857p with a 2.142p final.

Mr Hartley said in a statement that the United Kingdom market is badly affected by record United Kingdom interest and mortgage rates. The high mortgage rates are causing a marked downturn in house buying, which is an important factor in the demand for carpets, he said. "However, the most critical situation facing the industry is the competitive position of the United States carpet industry," he said.

The United States industry benefits significantly from controlled prices for domestically produced oil and natural gas, from which virtually all textiles and carpets are derived. "This situation is seriously affecting the United Kingdom carpet industry, which is having to compete with the unfairly based competition from United States imports both in the United Kingdom and in its traditional export markets such as Australia, Canada and the Middle East."

Mr Hartley says Shaw continues to increase productivity, and its share of the United Kingdom carpet market, both helped considerably by the group's computer - controlled Millitron carpet patterning machinery commissioned in 1977.

That machine has allowed the company, says Mr Hartley, to develop into high quality carpet ranges which were previously the preserve of woven producers.

New offer for City Investing

International

City Investing Co said yesterday in New York that it had received a new offer to be acquired by a subsidiary of Tamco Enterprises for $32.50 a share.

It said the new purchase price assumed conversion of all of City Investing's outstanding convertible securities.

City Investing previously rejected a Tamco offer of $30 a share.

The new Tamco offer stated that it was subject to endorsement of the transaction by City Investing's board and the execution of mutually satisfactory acquisition documents.

Tamco said the transaction would also be subject to receipt of all required government and shareholder approvals, a satisfactory review of City Investing by Tamco, and other conditions, according to City Investing.

The completion of the transaction would also be subject to the receipt of "firm financing" commitments on acceptable terms in amounts sufficient to effect the transaction at the proposed purchase price, City Investing said, quoting Tamco.

Mr George T. Scharffenberger, City Investing's chairman, said the company's board would study the Tamco offer. The board is next scheduled to meet on July 23.

Nisshin Spinning

Nisshin Spinning, the Japanese textile company, reported parent company net profits of 6.120m yen (£1201m) in the year to April 25, an increase of 11.9 per cent from the previous year.

Sales rose by 17.8 per cent to 149,500m yen. The year-end dividend payment was 3.5 yen against 4 yen last year.

Blue Circle bid

Blue Circle Southern Cement is proceeding with its offer for the remaining 2.7m shares of Perth-based Swan Portland Cement, not alrdeay held by the company.

At present, BCSC, the Australian associate company of Britain's Blue Circle Industries, hold 3.57m shares, totalling 56.7 per cent of the issued share capital of Swan Portland.

The terms of the offer are one BCSC share plus 95 cents in cash or A$1.95 in cash for each Swan Portland share. The offer is conditional on acceptances in respect of 90 per cent of the shares being received from at least three-quarters of Swan Portland shareholders.

Mannesmann up 2pc

Mannesmann group turnover in the first five months of 1980 was DM4,600m (£1,130m), up 2 per cent from the year-ago period, Herr Egon Overbeck, the management board chairman, told the annual meeting.

Group results in the first five months were still unfavourably affected by the under-utilization of capacity and inadequate earnings from its pipe plants, Herr Overbeck said.

General Tire slumps

General Tire and Rubber reported net profits for the second quarter, to May 31, of $6.9m, or 29 cents a share, against $32.8m, or $1.39 a share, for the same period a year ago.

Sales fell to $529.9m from $604.7m a year earlier.

The second quarter profits include an additional income tax benefit of $6m because of a change in the company's estimated annual effective income tax rate, which is computed quarterly.

The first half loss was $4.4m, against net profits of $45.3m for the first half a year earlier. Sales for the six months slipped to $1,040m from $1,120m in 1978-79.

General Tire blamed the continuing effects of unfavourable economic conditions, the depressed automotive industry and increased manufacturing costs for its lower profits in the quarter.

US health group takeover

Hospital Corp of America said it had agreed to acquire General Health Services for about $90m cash.

Under the agreement Hospital Corp will pay $3 a share for about 3m General Health shares assuming conversion of certain debentures.

General Health operates seven hospitals with 1,300 beds.

Hospital Corp operates 158 hospitals with about 24,000 beds.

Hospital Corp said completion of the acquisition was subject to various regulatory requirements, including the approval by a majority of General Health Service stockholders.

CFP lifts interim dividend

Cie Francaise des Petroles (CFP) said yesterday that first half group profits should total about half of the 2,400m francs (£253m) profits, excluding stock revaluation, registered for the whole of 1979, M Rene Granier de Lilliac, the chairman, told a shareholders' meeting.

However, he said, it was too early to forecast results for the whole of 1980.

The company would maintain its efforts to retain access to sufficient resources from its traditional suppliers while continuing to increase its mining acreage in new zones, he said. At the same time, it was significantly developing its interests in coal, uranium and solar energy.

The investments for 1980 would be about 6,000m francs, he said.

An interim dividend of 15 francs was announced, against 10 francs for the first half of 1978-79.

BASF forecasts higher turnover

BASF, the West German chemicals group, expects group turnover in the first half of 1980 to rise by 13 per cent to DM14,200m (£3,500m) from DM12,600m in the same period a year ago, Herr Matthias Seefelder, the management board chairman, told the annual meeting.

Parent company turnover is expected to rise by 17 per cent to DM6,300m in the first half, from DM5,800m, Herr Seefelder said.

He said the rises were due to relatively high growth in the first quarter, but noted that sales on a volume basis were now below the level of a year ago.

Herr Seefelder said the higher turnover resulted entirely from higher prices, adding that unit sales were lower, indicating a decline in the West German economy.

Incoming orders were also declining, as buyers seemed uncertain about economic developments, he said. He also cited the difficulty arising from recessionary tendencies, especially in the United States.

Mr John Bentley: Tebbitt Group

Contrary to our report of yesterday, we accept that Mr John Bentley, Chairman of the Tebbitt Group, was in no way connected with the successful Barclay Securities companies when, as part of Vavasseur, Vavasseur crashed during the 1974 property crisis; and that following the disposol of its tannery interests, the Tebbitt Group is no longer loss-making. We apologize to Mr Bentley for his inadvertent error.

CAPITAL SPENDING

Figures published yesterday by the Department of Industry for the fixed capital expenditure of manufacturing, distributing and services for the increase in the value of stocks all seasonally adjusted at 1975 prices.

		£m Investment Total	Mfg	£m Total Stocks
1978		8,562	3,853	895
1979		9,084	3,858	784
1978	Q1	2,108	946	191
	Q2	2,160	970	233
	Q3	2,129	966	268
	Q4	2,170	971	203
1979	Q1	2,195	974	187
	Q2	2,297	948	364
	Q3	2,311	978	184
	Q4	2,282	988	50
1980	Q1	2,271	925	−644

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crdts	17%
C. Hoare & Co	*17%
Lloyds Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Rossminster	17%
TSB	17%
Williams and Glyn's	17%

* 7 day deposit on sums of £10,000 and under 15%, up to £25,000 15¼%, over £25,000 15½%.

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The Over-the-Counter Market

1979-80 High	Low	Company	Price	Ch'ge	Gross Div(p)	Yld %	P/E
99	59	Airsprung Group	63	—	6.7	10.6	*3.7
50	26	Armitage & Rhodes	30	—	3.8	12.7	*2.0
285	185	Bardon Hill	282	—	13.8	4.9	*8.3
100	78	County Cars Pref	78	—	15.3	19.6	—
101	63	Deborah Ord	92	—	5.0	5.4	10.1
125	88	Frank Horsell	117	—	7.9	6.7	7.3
129	90	Frederick Parker	90	—	12.8	14.2	*4.1
[illegible]	100	George Blair	101	—	16.5	16.3	*—
[illegible]	45	Jackson Group	80	—	6.0	7.5	*3.0
[illegible]	103	James Burrough	112	—	7.9	7.1	9.1
[illegible]	242	Robert Jenkins	300	—	31.3	10.4	*9.6
[illegible]	175	Torday Limited	220	—	15.1	6.9	*3.7
[illegible]	111	Twinlock Ord	15½	—	—	—	*—
[illegible]	70	Twinlock 12% ULS	76	—	12.0	15.8	—
[illegible]	23	Unilock Holdings	48	—	2.6	5.6	10.2
[illegible]	45	Unilock Holdings New	46	—	—	—	9.8
[illegible]	42	Walter Alexander	95	—	4.4	4.6	6.3
[illegible]	136	W. S. Yeates	217	—	12.1	5.6	*3.5

* Accounts prepared under provision of SSAP15.

Business appointments

Bankers' association chooses new president

Sir Eric Faulkner is to become president of the British Bankers' Association. He takes over from Lord O'Brien of Lothbury. The two vice-presidents of the association are Sir Jeremy Morse and Mr John F. H. Baring, chairmen respectively of the Committee of London Clearing Bankers and of the Accepting Houses Committee.

Mr Eric L. Beverley, commercial director of the British Aerospace Dynamics Group has been elected president of The Society of British Aerospace Companies. He succeeds Mr Basil D. Blackwell, vice-chairman and chief executive of the Westland Group of Companies who has become deputy president.

Sir Monty Finniston has been re-elected president of the Institute of Management Services. Mr Harold Williams, the chairman, and Mr Philip Butcher, the treasurer, were also re-elected. The new deputy chairman is Mr Bob Bayley.

Mr Robert Newman has been appointed to the newly-created post of treasurer at Consolidated Gold Fields.

Mr Neville Bowen has become deputy chief executive of Hill Samuel Life and Investment Management.

Mr P. W. A. Simmonds, the chairman of Leyland Paint & Wallpaper has been appointed executive chairman. Mr B. Jones, the group managing director, has left the board.

Mr John J. Tilbrook has been appointed vice-chairman of J. F. Nash Securities. The managing directors of two of the group's principal subsidiaries, Mr David J. Harris of Barpak and Mr Ritchie L. Spencer of the Reliant Motor Company have joined the board of the parent company.

MARKET REPORTS

Commodities

COPPER was slightly easier.—Afternoon.—Cash wire bars, £838.50-839.50 a metric ton; three months, £865.50-866. Sales, 6,300. Cash cathodes, £814-816.00; three months, £844-845.00. Sales, nil tons. Morning.—Cash wire bars, £845-846.00; three months, £869-870.00. Settlement, £846.00. Sales, 10,300 tons. Cash cathodes, £815-816.00; three months, £844-845.00. Settlement, £816.00. Sales, 150 tons.

TIN was steady, quiet.—Afternoon.—Standard, cash, £7,410-7,430 a tonne; three months, £7,535-7,540. Sales, 210 tonnes. High grade, cash, £7,410-7,450; three months, £7,565-7,570. Sales, nil tonnes. Morning.—Standard, cash, £7,430-7,440; three months, £7,540-7,545. Settlement, £7,440. Sales, 260 tonnes. High grade, cash, £7,430-7,440; three months, £7,560-7,570. Settlement, £7,440. Sales, 45 tonnes. Singapore tin ex-works, SM2,150 a picul.

LEAD was steady.—Afternoon.—Cash, £322-325.00 per tonne; three months, £331-331.50. Sales, 1,200 tonnes. Morning.—Cash, £322-325.00; three months, £330-330.50. Settlement, £325.00. Sales, 5,200 tonnes.

ZINC was barely steady.—Afternoon.—Cash, £285.50-286.50 per tonne; three months, £298.50-299.00. Sales, 4,800 tonnes. Morning.—Cash, £287.50-288.50; three months, £300-301.00. Settlement, £288.50. Sales, 2,025 tonnes.

PLATINUM was at £278.75 ($655.00) a troy ounce.

SILVER was easier.—Bullion market (fixing levels).—Spot, 688.30p per troy ounce (United States cents equivalent, 1,609.90); three months, 716.60p (1,647.30c); six months, 741.70p (1,688.00c); one year, 785.00p (1,762.60c). London Metal Exchange.—Afternoon.—Cash, 677-679.0p; three months, 707.5-709.0p. Sales, 53 lots of 10,000 troy ounces each. Morning.—Cash, 685.5-687.5p; three months, 716-717.0p. Settlement, 687.5p. Sales, 88 lots.

ALUMINIUM was quiet.—Afternoon.—Cash, £733-734.00 per tonne; three months, £718-720. Sales, 1,900 tonnes. Morning.—Cash, £735-736.00; three months, £719-720.00. Settlement, £736.00. Sales, 1,500 tonnes.

NICKEL was firmer.—Afternoon.—Cash, £2,795-2,800 per tonne; three months, £2,815-2,820. Sales, 348 tonnes. Morning.—Cash, £2,750-2,770; three months, £2,765-2,780. Settlement, £2,770. Sales, 132 tonnes.

RUBBER was slightly steadier (pence per kilo).—Aug, 61.10-61.50; Sept, 62.40-63.00; Oct-Dec, 64.50-64.60; Jan-March, 67.60-67.70; April-June, 70.40-70.50; July-Sept, 73.00-73.30; Oct-Dec, 75.50-75.60; Jan-March, 78.10-78.20; April-June, 80.60-80.90. Sales, 334 at 15 tonnes.

RUBBER PHYSICALS were quiet: Spot, 59.75-60.75. Cif's: Aug, 63.00-63.50; Sept, 63.50-64.00.

COFFEE.—ROBUSTAS (£ per tonne): Jly, 1,541-42; Sep, 1,595-98; Nov, 1,606-10; Jan, 1,618-20; Mch, 1,617-20; May, 1,620-45; Jly, 1,580-1,660. Sales: 3,314 lots, including 8 options.

ARABICA (officials at 16.45): June, 195.00-200.00; Aug, 202.00-204.00; Oct, 204.00-210.00; Dec, 204.00-210.00; Feb, 195.00-205.00; Apl, 195.00-205.00; Jne, 195.00-203.00. Sales: 206 lots.

COCOA was slightly easier (£ per metric ton).—Jly, 1,060-64; Sep, 1,070-72; Dec, 1,122-23; Mch, 1,162-65; May, 1,188-89; July, 1,210-13; Sep, 1,235-40. Sales: 4,195 lots.

SUGAR.—The London daily price of "raws" was £2.00 higher at £324; the "whites" price was unchanged at £342. Futures (£ per tonne): New contract (steady): Aug, 340.00-46.00; Oct, 364.00-64.50; Jan, 373.05-76.00; March, 386.50-86.75; May, 379.75-80.00; Aug, 373.00-77.00; Oct, 370.00-73.00. Sales: 4,038 lots. Old contract (steady): Aug, 339.25-39.35; Oct, 374.30-74.50. Sales: 7,550 lots. ISA prices (June 25): daily, 32.05c; 15-day average, 30.47c.

SOYABEAN MEAL was slightly easier (£ per tonne): Aug, 102.80-103.20; Oct, 104.80-105.00; Dec, 108.00-108.20; Feb, 110.70-111.00; April, 113.10-113.40; June, 114.50-115.00; Aug, 115.00-117.00. Sales: 119 lots.

WOOL.—NZ Crossbreds, No 2 contract, cents per kilo (quiet): Aug, 359-61; Oct, 359-62; Dec, 360-64; Jan, 361-67; March, 366-68; May, 366-70; Aug, 372-74; Oct, 371-75; Dec, 372-75. Sales: seven lots.

GRAIN (The Baltic).—**WHEAT.**—Canadian western red spring, unquoted. US dark northern spring, No 2, 14 per cent: July, £98.75; Aug, £100; Sept, £100.50 trans-shipment east coast. US hard winter, 13½ per cent: July, £96 trans-shipment east coast. EEC, unquoted. English feed, fob, Sept, £97.50; Oct, £101.50 east coast.

MAIZE.—French: July, £120.000 east coast. S African white, unquoted. S African yellow: July-Aug, £80.00.

BARLEY.—English feed fob, Sept, £94; Oct-Dec, £99; Jan-March, £105; April-June, £110 east coast. All per tonne cif UK unless stated.

London Grain Futures Market (Gafta). EEC origin.—BARLEY was steadier.—Sept, £91.85; Nov, £95.70; Jan, £99.55; March, £102.80; May, £106.05. Sales, 265 lots. WHEAT was steadier.—Sept, £95.65; Nov, £99.40; Jan, £103.15; March, £106.70; May, £110.10. Sales, 554 lots.

Home-Grown Cereals Authority.—Location ex-farm spot prices.

	Other milling WHEAT	Feed WHEAT	Feed BARLEY
S East	—	—	£90.00
S West	—	£105.00	—
W Midlands	—	—	£91.00
N West	—	£104.70	£92.10

MEAT COMMISSION: Average fatstock prices at representative markets on June 25: GB: Cattle, 80.97p per kg lw (−1.20). UK: Sheep, 151.65p per kg est dcw (−0.11). GB: Pigs, 67.62p per kg lw (+1.57). England and Wales: Cattle nos up 4.0 per cent, ave price 80.37p (−1.53). Sheep nos up 35.6 per cent, ave price 155.20p (+0.15). Pig nos up 6.8 per cent, ave price 67.62p (+1.57). Scotland: Cattle nos down 1.0 per cent, ave price 82.42p (−0.31). Sheep nos up 18.9 per cent, ave price 140.02p (−3.56).

London sugar market adjusts EEC price

The EEC price for imported raw sugar will be deemed to be £252.03 a tonne as from July 1 for equalization payments made against sugar tendered on the London Number Two "Raw" sugar futures contract, a London market statement said yesterday.

This compares with a current level of £236.64 and reflects higher sugar prices agreed in the recent EEC farm price review. But with only August and October left in the Number Two contract, this is likely to be the last change, brokers said.

The equalization payments represent the difference between the London daily "Raws" price and the set EEC level. It is first calculated when sugar is tendered but paid on the basis of the London daily price, when the sugar actually arrives in Europe.

Although the new Number Four contract is also a CIF European one, sugar is tendered on an FOB basis, with an equalization payment made between the nominal Caribbean—United Kingdom freight rate and ones set by the market from all other tenderable origins.

Evans of Leeds: Total revenue for year to March 31 £4.1m (£3.2m). Pretax profit £2.0m (£1.8m). Earnings per share were 7.197p (6.220p). Dividend is 4.28p gross (3.57p gross).

Discount market

The Bank of England gave very large help to relieve a shortage of funds in the discount market yesterday.

This assistance was provided principally via purchase and resale agreements in a large quantity of eligible bank bills that the houses will take back at a future date.

The bank also bought a small quantity of Treasury bills and local authority bills from banks and houses in addition to lending a small sum overnight to two or three houses at MLR.

Rates for secured money opened at about 17-16 7-8 per cent and held that region for much of the session in slow trading. With much of the shortage already taken out at lunchtime, the afternoon became even more subdued until some small balances began to move very late in the day to enable books to be rulled off at about 16½-1 per cent.

Money Market Rates

Bank of England Minimum Lending Rate 17%
(Last changed 15/11/79)
Clearing Banks Base Rate 17%
Discount Mkt Loans %
Overnight: High 17 Low 16
Week Fixed: 17-16¾

Treasury Bills (Dis%)
Buying / Selling
[illegible]

Prime Bank Bills (Dis%) / Trades (Dis%)
[illegible]

Local Authority Bonds
[illegible]

Secondary Mkt. £CD Rates (%)
[illegible]

Local Authority Market (%)
[illegible]

Interbank Market (%)
[illegible]

First Class Finance Houses (Mkt. Rate %)
[illegible]

Finance House Base Rate 17½%

Recent Issues

[illegible]

Foreign exchange report

Sterling finished on a very firm note in foreign exchange markets yesterday. In dollar terms, the pound rose 85 points to $2.3445, while the "effective" exchange rate index picked up 0.2 to 73.9, after falling to 73.6 initially.

Dealers reported quite sizable selling of sterling at the outset as comments by the Chancellor and the Financial Secretary again sparked off speculation about an early cut in MLR. The rate dropped as low as $2.3265 at one stage.

But sterling had largely recovered by the time of any MLR announcement and the "unchanged" decision saw the currency into higher ground. Thereafter, a large commercial buying order, together with a lower dollar, lifted sterling as high as $2.3500.

The dollar closed slightly cheaper to most currencies in the wake of easier Eurodollars.

German marks rose from 1.7680 to 1.7645, Swiss francs gained from 1.6370 to 1.5250 and French francs hardened from 4.1040 to 4.1030.

The Japanese yen advanced from 217.65 to 217.30 at the expense of the dollar.

Sterling Spot and Forward

	Market rates (day's range) June 26	Market rates (close) June 26	1 month	3 months
New York	[illegible]	[illegible]	[illegible]	[illegible]
Montreal	[illegible]	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]	[illegible]	[illegible]
Dublin	[illegible]	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]

Effective exchange rate compared to December 21, 1971, was up 0.2 at 73.9.

Sterling: Other Markets

[illegible]

Dollar Spot Rates

[illegible]

EMS European Currency Rates

[illegible]

Gold

[illegible]

Euro-$ Deposits

[illegible]

Wall Street

New York, June 26.—The Stock Market, bolstered by institutional buying, rose early today in active trading.

The Dow Jones industrial average, which soared 10.24 points on Wednesday, was ahead by 2.82 points to 890.35 at about 11 am.

Wednesday's close was the highest since it finished at 903.84 on February 13, Dow's 1980 "high." Advances outnumbered declines by 656 to 409, among the 1,487 issues crossing the New York Stock Exchange tape.

First-hour volume reached about 12m shares, compared with 11.59m traded during the same period on Wednesday.

On Wednesday, the industrial average closed 10.24 points up to 887.54 on trading in 46,300,000 shares.

British Petroleum announced a new North Sea oil find and gained ¼ to 35¼. Ranger Oil, a partner, jumped 4¾ to 33¼ as the American Exchange volume leader.

US commodities

New York, June 25.—The New York Stock Exchange moved steadily ahead today to close just below the day's high, in heavy trading. The Dow Jones industrial average chalked up a gain of 10.24 to close at 887.54 and the NYSE composite index rose 0.88 to 66.72.

Advancing issues ran ahead of losers by a 1,070 to 440 margin, while 378 issues held unchanged. The average price per share jumped 22 cents. Volume climbed strongly to 46,300,000 shares from 37,750,000 shares Tuesday.

COMEX SILVER futures traced a steady retreat in quiet afternoon trade to close at day's lows with losses of two to five cents in nearbys after morning gains of as much as 33 cents. June, 1,378.5-1,365.0c; July, 1,570.0-1,585.0c; Aug, 1,590.0c; Sept, 1,610.0c; Dec, 1,650.0-1,660.0c; Jan, 1,657.0c; March, 1,685.0c; May, 1,713.0c; July, [illegible]; Sept, 1,764.0c; Dec, 1,800c; Jan, 1,825.0c; March, 1,855.0c.

GOLD futures, CHICAGO IMM. Sept, $701.90 asked; Dec, $720.60 asked; March, $739.00 bid; June, $757.30 bid. NY COMEX. June, $617.00; July, [illegible]

[illegible]

Canadian Prices

[illegible]

Authorized Units, Insurance & Offshore Funds

1979/80 High Bid	Low Offer	Trust	Bid	Offer	Yield
		Authorized Unit Trusts			
		Abbey Unit Trust Managers.			
		72-80 Gatehouse Rd, Aylesbury, Bucks 0296-5941			
[illegible]	[illegible]	American Growth	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Capital	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	General	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Gilt & Fixed Int	[illegible]	[illegible]	[illegible]
		E. F. Winchester Fund Mgmt Ltd.			
		44 Bloomsbury Sq, WC1A 2RA. 01-623 8893			
27.0	18.1	Gt Winchester	27.0	29.6	7.04
21.0	19.6	Do Overseas	20.9	22.0	4.79
		Equity & Law Unit Trust Managers Ltd.			
		Amersham Rd, H Wycombe, Bucks. 0494 33377			
136.8	92.6	Equity & Law	79.4	93.3	5.13
		Fidelity International Management Ltd.			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Insurance Bonds and Funds

[illegible]

Offshore and International Funds

[illegible]

هكذا من الأصل

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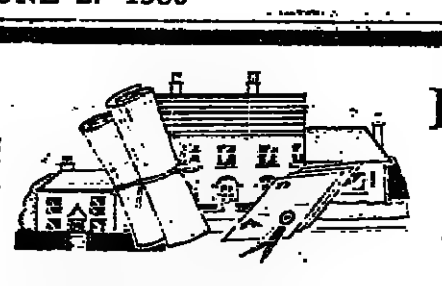
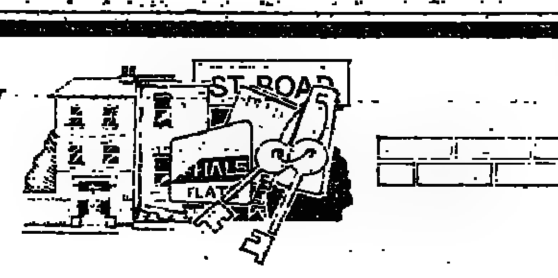


Property under £35,000



LONDON FLATS (min lease 10 years)

VICKERS AND CO

402 7145/6

CHARMING PIED A TERRE IN W.2 with bdrm, lnge, kit & bthrm. Balcony, attract. decor. Lift. Studio. Long lse. £31,500. SHORT LSE. p.b. block a few mins. reach of Marble Arch. 4 rms., kit & bthrm. Incl. Gas c.h. balcony 24 yrs. £29,000. LARGE MNSN FLAT, W.9 attract. modernised gdn. flat with 3 bdrms, recept, kit & bthrm. Gas c.h. Gdns etc. Excellent value. 98 yr lse. SUPERB STUDIO FLAT with grge. Nr Kensington. £22,500.
FURTHER SELECTION AVAILABLE

FULHAM—MOORE PARK ROAD

Converted ground floor flat situated in improvement area. 2 bedrooms, living room/kitchen, small balcony, bath/WC. Storage heaters, parking facilities. 93 year lease.
£31,750
Phone 01-731 7186
(Eves Monday to Friday)

W. A. HURRELL & CO.
Chartered Surveyors
1 Park Avenue South
London N8 8LU

GARDEN FLAT
Highgate, N6

Newly converted 2 bedrooms, lounge, fitted kitchen, coloured bathroom suite, gas central heating, fully carpeted. £32,000. 99 year-lease.
Tel. 01-340 8249
(anytime)

SOUTH KENSINGTON

Recently converted 2nd floor flat with Garden Square views from delightful sitting room, fitted double bedroom, attractive kitchen, bathroom with w.c. Use of gardens. Low outgoings. 65 year lease.
£29,950 O.V.N.O.
GASCOIGNE-PEES
730 6762

PRINCE OF WALES DRIVE SW11

Bright, sunny 3rd floor, 3 roomed flat, k & b (no lift). Quality fitted carpet, good decorative order, 61yr lease, outgoings £360 p.a.
£34,750
01-222 4218 Office
01-622 7585 Home

PUTNEY

Immaculate, two-bedroomed flat in quiet road off Putney Hill. Gas c.h., garage, communal gardens. Low outgoings, long lease.
£26,000
Tel 01-233 4048 (office)
01-788 1190 (eves/w/ends)

DOLLIS HILL
SUNNY SPACIOUS BALCONY FLAT

3 bedroom (2 dble, 1 single), 2 receptions, bathroom. Fully fitted kitchen. Superb views.
£34,800
Tel.: 01-253 6572 ext. 41 (day 01-452 8807 (eves).

CHELSEA, S.W.3

Pleasant 3nd Floor Flat with quiet outlook. Comprising double bedroom, sitting room, hall, kitchen and bathroom. Tastefully decorated, C.H. Lift, porter, entry phone. £34,000 to include fitted carpets, curtains, stove and fridge. Tel. 01-352 4372 (065 7651 237).

I Promise you A Rose Garden

Plus 3 rooms, k&b in Clarendon Road, W11. Planning permission for improvements. Damp course guarantee. Open fire, ample storage room, 60ft garden.
£34,000
01-727 4021

EXCITING TOMORROWS! FOREST HILL, HONOR OAK PARK

Spacious well maintained, 5-yr-old flat, overlooking private park with use of tennis courts. 2 double beds., with fitted wardrobes, large lounge, filled kitchen, large garage. Long lease, close to two BR stations. £26,850.
Tel: 01-514 0160 day
01-690 6124 eves.

STREATHAM HILL

P.b. modern two bedroom (2 double) ground floor flat. Spacious lounge, compact kitchen, bathroom, c.h. Beautiful decor, interior and exterior. Communal garden. Suit family.
£25,000. TEL: 01-674 0186

CHIGWELL ROW

Modern terraced house. 3 bedrooms, (1 fitted), through lounge, fully fitted kitchen, bathroom low level suite, gas C.H. detached garage, garden close amenities.
£29,595 for quick sale
01-500 4854 after 4.30 p.m.

UNIQUE OPPORTUNITY FOREST HILL

Spacious modern flat in unique position with private park and tennis court. Large lounge with views over park land. 2 double bedrooms. Fitted kitchen, garage, long lease. British Rail 10 minutes London Bridge.
£26,750 for quick sale.
Tel.: 01-690 6124

CENTRAL RICHMOND

One bedroomed 1st floor flat in purpose built block with very large well stocked terrace in secluded position. Fully equipped kitchen. New carpets throughout and newly fitted cupboards. Bathroom and w.c. Full C.H. Parking.
£31,000
LEASEHOLD (120 YRS)
PHONE 01-940 6775

GREENWICH

Spacious first floor flat over-overlooking Blackheath. Two bedrooms (1 dble) with fitted cupboards, 1 single. Two recepts., kitchen with all mod. cons. Recently redecorated. Central services provided. 90 year lease, garage. £32,000.
Phone 01-692 6969 (anytime).

LONDON FLATS (min lease 10 years)

SLOANE AVE., S.W.3

Newly refurbished 6th floor pied-a-terre in excellent popular block. 1 bedroom, reception, kitchenette, bathroom, balcony, all usual amenities. 87 years lease. £34,750.

DEVONSHIRE ST., W.1

2nd floor apartment in fine block. 1 bedroom, reception, kitchen, bathroom. Lift, porter, c.h., c.h.w. 44 years £29,000

GT. TITCHFIELD ST., W.1

4th floor newly refurbished flat. 1 bedroom, reception, kitchen, bathroom. 99 year lease £29,000.

Robert Irving & Burns
23/24 Margaret St., W.1.
637 0821

SW1 OFF VINCENT SQ.

Two late Victorian purpose-built flats in small recently refurbished block, on 1st and 3rd (top) floors, approached through private courtyard. Very quiet. Each with 2 rooms (16 x 10 and 12 6 x 12). Fully tiled bath., fitted kit., entry phone, Banham locks, communal TV aerial, fitted carpets. Top flat with indept gas c.h. Outgoings £100 p.a. 98 year leases.
Tel., day/eves. 821 8554/0186.
£29,950

WEMBLEY PARK

Large first floor flat consisting of lounge 25ft x 14ft, two double bedrooms, kitchen with wall-in larder, parking availability, storage heaters, bath-wc: close to station and shops. In good decorative order. 98 year lease. £25,500 to include carpets and cooker. 01-979 7744, ext 215 (office hours) 01-904 0692 (eves).

UNIQUE PRIVATE GROVE
(opposite Clapham Common)
(1 minute from Tube station)

1 double bedroom, spacious lounge, kitchen and bathroom tastefully decorated. C.H. Communal garden. £28,300. Tel: 01-211 3846 (day), 01-720 6350 (eve).

HORNSEY LANE

Purpose-built flat, 3 rooms k. & b. part C.H. Porters, Gardens, parking. £26,000. Phone (not Sat.) 01-248 5070 ext. 117 (day), 01-340 7976 (eves).
£27,000

HIGHGATE
20 mins. Piccadilly/City. Quiet road.

1 bedroom, large living room, kitchen and bathroom. Garage. 79 years' lease. Carpets, curtains, etc. £28,000 o.n.o. SOMERS, phone 01-583 6560 afternoon.

CHILDS PLACE SW5

Bright newly decorated first floor flat in small modern block in cul-de-sac. Hall, large lounge, 1 large double bed, kitchen, bath/WC, box room etc. C.H. 99 year lease.
£32,500
Brodman 435 7737

HURLINGHAM

Four minutes Club and Putney Bridge Station. Immaculate 2nd floor flat. Gas c.h., comfortable drawing room, dining room opening to well fitted kitchen, double bedroom, bathroom, cloakroom. Lease until 2018. Ground rent £20.
£33,990
Tel. 731 0307 (after 6.30)

CHARACTER FLAT IN WIMBLEDON

Spacious flat on 3 levels with secluded outlook over gardens. 2 bedrooms (1 in eaves), recep. k&b, garage, gas c.h. 10 mins B.R. L.T., village or common. 91 year lease. Low outgoings. £34,950. 01-947 6018 (eves and w'end).

KINGSTON HILL

One double bedroom purpose built ground floor flat. Lounge, kitchen/diner, bath., separate w.c. Garage. Long lease.
£25,000
01-546 2659

ISLINGTON

Immaculate 2-bedroomed flat. Lounge 13ft x 18ft, kitchen diner 11 x 16, split level cooker, marble fireplaces, gas c.h., small balcony. 90 yr. lease.
£31,250
01-236 0866

HIGHGATE, N8

A well converted 2nd floor flat with 2 bedrooms, 1 reception room, modern fitted kitchen and bathroom. 90 year lease. Low outgoings. £31,950 o.n.o.
HUNTER & CO
01-837 7365

CONVERSIONS

BRONDESBURY NW8

Spacious 1 and 2 bedroomed Flats in property newly converted to an exceptional standard. Fully fitted kitchen and bathroom, entryphone. C.H. 99-year lease. Prices around £35,000. People interested in such quality at these prices should ring.

C. & H. DESIGN AND CONSTRUCTION LTD.
01-408 2414, ext. 53 (weekdays)
01-328 7095 (eves. and weekends)

CHISWICK

Beautifully converted, 1st floor flat in Victorian terrace with character, in quiet road. 1 bedroom, lounge, kitchen and bathroom. Gas C.H., fitted carpets. Tastefully decorated interior and exterior. Long lease, low outgoings £26,000. Tel: 01-995 5631 (eves.)

CONVERSIONS

WEST HAMPSTEAD, N.W.6

Spacious 2nd floor flats in a one year old conversion of a detached, character residence, close to Finchley Road and West End Lane. Large double bedroom, spacious reception room, fitted kitchen and modern colour bathroom. Indep. gas CH. Entryphone. Lease 99 years. £31,750

MAIDA VALE, W.9

A selection of newly converted 1 and 2 bedroom flats in large period properties, close to all major transport facilities. All with indep. gas CH. Large reception rooms, some with use of garden. Entryphone. Long leases. Low outgoings. Prices:
1 bedroom £22,000-£29,000
2 bedrooms £25,000-£35,000

GILLAND & CO.
586 8001

NEW KINGS ROAD

Facing Parsons Green. Completely modernised 1 bedroom flats, built-in wardrobes, living room, fitted kitchen, modern bathroom, gas c.h., all new wiring, plumbing, decorating, entryphone, 99-year lease. From £30,500.

Interior Projects
736 7917

HASTINGS

A large grade 2 listed house in quiet Regency square, close to sea front and all amenities. With the benefit of planning permission granted for conversion into 6 self-contained flats. Freehold, £35,000.
TELEPHONE RYE (07973) 3888 ANYTIME

GARDEN FLAT

West side Clapham Common. Ground floor Period Flat. Sitting room/bedroom with open fire and original moulded ceiling. Kitchen, bath/w.c. Cellar for fuel storage. Close amenities. 15 mins Victoria. £24,800.
01-581 2282 after 6 p.m.

LEWES Town Centre

Spacious 1st and 2nd floor maisonette dating from early 1800's in conservation area. 3 bedrooms, 2 receptions, 25 ft kitchen, bath and sep. W.C. Roof garden. £23,000. 99 year lease.
CLIFFORD DANN & PTNRS.
TEL: (07916) 4375

PUTNEY, SW15.

Quiet residential area. Spacious 1st Floor Flat. 3 large rooms, plus kitchen and bath. Tel. gas/fires, power points, curtains, floor coverings. Near heath and public transport. No service charge. Shared maintenance. No agents. £35,000 o.n.o.
Tel: 01-789 8242

KENSINGTON SW5

A selection of newly converted 1-bedroomed flats with good-size receptions. Well-fitted kitchen and bath. Some with terrace or garden. C.H. From £24,000 for 99-yr. leases. 01-584 8517.

C.P.K. CONSTRUCTION LTD

DESIGN OPPORTUNITIES

WINKLEIGH, DEVON
Semi-detached cob/thatched cottage

with later addition, quite habitable but requiring decoration and some modernisation. 2 double bedrooms, bathroom, good-sized living room & kitchen, garden adjacent churchyard. View south to Dartmoor. Outbuildings & garage/carport space. £21,500.

'Phone 0308.862497, after 6 p.m.

£9,000 ono

Enchanting but dilapidated 18th century cottage for sale in centre of Suffolk village, five miles from Bury St Edmunds. Potentially, 1 reception, 2 bedrooms, kitchen and bathroom. Small garden, large timbered framed barn.
01-353 6566 (office hours).

PERIOD POTENTIAL
LEWES TOWN CENTRE

A substantial terraced house in need of improvement, dating from the Queen Anne period. 4 reception, 5 beds., usual offices, enclosed garden, and outbuilding. £26,950 Freehold.
CLIFFORD DANN & PTNRS.
TEL: (07916) 4375

WALK TO CITY OLD ST, EC1

Old Georgian style property in block with 3 others. 6 rooms on 3 floors. Needs complete renovation. Good potential. £29,950.
01251 4995 office hours, or 06285 20822 eves.

£9,000 O.N.O.

Enchanting but dilapidated 18th century cottage for sale in centre of Suffolk village five miles from Bury St Edmunds. Potentially 1 reception, 2 bedrooms, kitchen and bathroom. Small garden, large timbered-framed barn.
01-353 6566 during office hours.

Superb Investment

Former bakery in Bedfordshire village, easy reach station and M1. 2 recept, 2 beds., kitchen, bath. Gas c.h. Garage. Garden. Potentially 2 further beds and 1 recept.
£23,950
Tel. (0732) 524 65

DESIGN OPPORTUNITIES

SNELL 01-286 6181

INVESTMENT PROPERTY

A selection of investment and development opportunities in West London, particularly Maida Vale £14,000-£35,000. Short leasehold and freehold. We are also urgently seeking similar properties on behalf of clients.

IDEAL FIRST TIME BUY

EAST MOLESEY

Modern terraced house on Hurst Park estate 4 bedrooms (2 with fitted wardrobes), bath, w.c., shower. Downstairs cloakroom, fitted kitchen, lounge/dining room (archway). Gas c.h. Part double-glazed. Good decorative order. Integral garage. Close all amenities. Fitted carpets, curtains, etc. incl.
£35,000 o.n.o.
Mr. Burgh, 01-985 0511 (before 3 pm) or 01-579 6872 (after 4 & w/ends)

MODERN TOWN HOUSE SYDENHAM

5 minutes station, 10 minutes London Bridge.

3 bedrooms (2 dble/1 single), bathroom with shower, 17ft lounge, kit/diner 16ft. Tastefully decorated throughout. Gas c.h. Garage. 55ft garden with fruit trees.
£33,500
Tel: 01-778 3212

GOSPORT
Alverstocke End

Period Terraced House in quiet grove with separate ground-floor Flat. Maisonette above with two double bedrooms, dining room, lounge, etc. Fixtures, fittings, furniture negotiable extra.
ONLY £20,000
Phone now on Oxford (0865) 54569

South Norwood

Newly decorated first floor flat. 1 bedroom 10ft x 10ft, lounge 16ft x 12ft. Fully equipped kitchen/diner 11ft x 13ft. Plus attic space. Wall to wall tiled bathroom/toilet. Hot and cold water. Near shops.
£16,500 mortgage available (deposit of £2,500).
150-year lease.
PHONE 01-656 1508

LIMPSFIELD

2 miles Oxted Station. Luxury s/c flat with superb views. Ideal for weekend retreat or 1st time buyer. Double bedroom, bathroom, attractive lounge dining room, fitted kitchen, full c.h., shared garden, car space. £24,950. Leasehold.
Powell & Partner
Oxted 2315/6

WEST MOLESEY
Popular residential area nr Hampton Ct

Spacious 3 bedroom terrace house. 10 years old. Through lounge, fitted kitchen, cloakroom w.c. Garage off, small garden. Near shops, riverside, open space. L'hold. Competitive price of £31,750 for immediate sale. 01-633 6402 (office), 01-941 2230 (Sunday).

N1 ALEXANDRA GROVE

Sunny flat, one bedroom, kitchen, bathroom, lounge, gas C.H. Immaculate condition. Fridge, cooker, carpets included.
97 years. £20,900
Tel. Frost 278 2345 (daytime)

BECKENHAM

3rd floor Victorian flat. One bedroom with shower en suite, lounge, fully fitted kitchen, bathroom, sep. W.C. with basin. Private entrance. Close all amenities. 95 yr. lease.
£18,950
INCL. FIXTURES & FITTINGS
01-659 6321

NEAR BLACKHEATH
LOVELY VIEWS OVER LONDON

Well designed 2 bedroom house with garage. Open plan living room, fitted kitchen and bathroom. Small patio garden.
£32,000 o.n.o. FREEHOLD
TEL. 01-858 5284

MAIDA VALE
Flat with Character

2 bedrooms (1 dble, 1 single), lounge, separate kitchen, bathroom, gas c.h. Suit couple.
Some furniture & fittings included in the price.
£33,000
Tel: 01-289 1581 (eves).

GREENWICH

Beautifully situated modern 2 bedroom house with lovely views towards park and over London. Fitted kitchen and bathroom, living room all in good decorative order. Long mature south facing garden. Private square with parking. 10 mins BR station. 87 year lease.
£35,000
01-600 9000 ext 2458 office
01-692 9173 home

BROMLEY

Self contained flat in small block. 2 bedrooms (1 double, 1 single). Beckermann kitchen, bathroom, w.c., gas c.h., large reception, picture windows. Double glazed and fitted carpets throughout. Garage, extensive communal grounds. Close all amenities. Tel.: Mrs. Bamford, 01-464 0331 day: 01-460 8725 (evening and weekend).

NORTH KENSINGTON BEAUTIFUL GARDEN FLAT

1 dble bedroom, fitted wardrobes in bedroom, modern bathroom. Spacious lounge opening onto the garden and fitted kitchen recently converted. Wall to wall carpeting throughout.
£26,500—Tel: 01-876 5391

BEXLEYHEATH

3 year old 2 bedroom house, with central heating and double glazing, fitted kitchen diner, reception with patio doors to garden. Tiled bathroom, secluded gardens front & rear, double garage.
£34,995.
01-301 0654.

IDEAL FIRST TIME BUY

HOME IN HAMMERSMITH

Bright, warm top-floor flat, W6. Beautifully converted. 2 large rooms, one with built-in wardrobes, bathroom, hall, fitted kitchen easy to cook in with waste disposal. Excellent Tube and road access to West End and City. 92 year lease. £25,500 o.n.o. including carpeting and other extras.
Tel. 01-602 0645 after 6.30 p.m.

RICHMOND

Luxury ground floor self contained flat in Edwardian House beaming with character.
2 tastefully decorated living rooms, original cornices, beautiful pitch pine doors, 1 double bedroom, bathroom with shower, separate w.c. Kitchen. Full gas c.h. Sunny colourful garden.
£33,000
Tel: 01-948 1034; 01-637 4863

CAMBRIDGE

Large Victorian house. 4 beds, close station, 65 mins. from Liverpool St. Spacious lounge, large kitchen/diner, shower room, garden, attached garage. New gas-fires in all principal rooms.
£30,500
01-387 1234 ext 2463 (day)
0223 68565 (eves & w.e.)

WEMBLEY PARK
Modern Split-Level Maisonette

2 dble. bedrooms, lounge/diner, part pine fitted kitchen, bathroom, w/c, c.h. Garage. (Carpets and curtains included in the price). Shared garden.
£24,500
Tel: 01-427 3029 anytime
01-952 5408 (eves.)

A HOME FOR ALL SEASONS! LEE/BLACKHEATH

Open aspect semi-detached town house, close to station. 3 bedrooms, study, utility area, L shaped lounge diner, 23ft long, compact kitchen with fitted mod. cons. Integral garage, gas fired c.h., 2 w.c.'s, all carpets included in the price. Fitted furn. incl. Hi-Fi's. £35,000.
Tel: 01-852 1357 (eves)
01-355 2321 (day).

SHORTLANDS

Spacious 1 double bedroom flat in 18 month old purpose built block. Nr station/shops. Large lounge with balcony, pleasant outlook, well fitted kitchen, coloured bathroom suite, gas c.h., fitted carpets, and wardrobes. Garage.
£24,500
01-466 5179 eves.

£23,750
PLEASANT NORTH LONDON FLAT CROUCH END.

Built only 14 years ago. Double bedroom, unusually spacious lounge, fitted kitchen. Luxury fitted carpets. Fully tiled bathroom. Balcony. Entryphone. Easy access tube.
Ring: 01-348 7924 (home)
01-213 4882 (day)

LEE, S.E.12

Immaculate, 2 bedroom, p.b. split level maisonette, 26 ft through lounge, gas c.h. Fitted kitchen, bathroom, W.C. Large bedrooms with fitted wardrobes, garage available 5 mins. shop and station.
£25,500
Tel: 01-852 3022 after 6 p.m.

DOES NOBODY WANT, ATTRACTIVE MORTGAGABLE QUIET EASILY RUN EAST SUSSEX MAISONETTE?

2 bedrooms, lounge diner, kitchen, bath.
Close to Robertsbridge Station. 70 mins London.
£19,950. Quick Sale.
Tel: Robertsbridge (0580) 880814 (eves).

NORTH ESSEX

2 miles Marks Tey main line station. Choice of 2 Victorian red brick 3 bedroom cottages. Freehold. £24,000, and £32,500.
PERCIVAL & CO.,
Sudbury, Suffolk.
0787 72223.

EALING W13

Luxury 3rd floor flat 17 x 14ft lounge with picture window, balcony overlooking communal garden. 2 double beds, dble-glazed, gas c.h. garage. 85 yr lease.
£32,750
01-455 1274

NEW MALDEN

Exceptionally Spacious 2-storey Maisonette in small block. Uniquely built 4 years ago by local builder. Quiet road, close shops, buses, trains (15 min Waterloo). Large living room, fitted kit., 2 dble beds, bath w.c., gas c.h. Rented garage, communal gdns. 95 year lease. £30,950 inc. carpets.
01-949 2458

PIED A TERRE/STUDIOS

EARLS COURT

Attractive, conveniently located 1st floor pied a terre. Excellent condition, in superb garden square.
Immaculate decor interior and exterior. Studio, kitchenette, bathroom. C.H. and C.H.W. Entry phone and use of square garden.
£22,950
Tel: 01-606 7700, ext 253 (business hours)
01-373 5354 (eves)

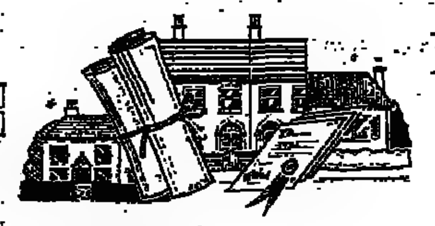
BELSIZE PARK

Close all amenities. Attractive ground floor purpose-built studio flat. Use of garden.
£30,500
Phone after 6.30
01-586 3618

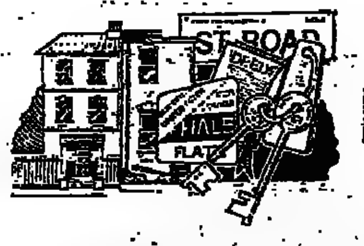
PIED A TERRE/STUDIOS

SNELL 01-286 6181

A SELECTION OF STUDIO FLATS IDEAL AS PIED A TERRE IN NW8, NW6 & W9. PRICES FROM £17,950 TO £25,000



Property under £35,000



GENERAL

JOHN MARCUS & CO.

Voltaire Rd., S.W.4. Unmodernised with all original features, 4 bedrooms. £33,000.

Hydethorpe Rd., S.W.12. Attractive 3 bed. Victorian Terrace House, living room, dining room, bath, kit., 40ft garden. £29,000.

Pinewood Court, Clapham Park. Beautiful mansion block surrounded by garden, 2 bed., fully mod., 187 yr. lease. £33,750.

Brabant Ave., S.W.4. Lovely fully mod., 2 bed flat with roof attic, carpets included, 119 yr. lease. £31,750.

01-720 5932

SOUTHFIELDS, SW18

Interesting bay-fronted Edwardian terrace in Engadine St. near tube and buses. Comprising 3 beds., 2 recepts. Original marble fireplaces, plaster work, copper plumbing, rewired and heat loss insulated. Modern bathroom and fully fitted kitchen with glazed door to brick patio and well-tended lawns and gardens. £32,950 freehold. Tel. Bus: 01-[illegible] est. 814, Home 01-874 [illegible].

KENT

Delightful country cottage. Gardens adjoining farmland. 2 bedrooms, lounge, dining room, kitchen, bath w.c. Full C.H. Completely renovated. 20 year guarantee against woodworm. Dry rot damp. 3 miles Tonbridge station. 45 mins London.

Only £28,950 freehold

Tel: Ferris: Tenby (0834) 3131

PURPOSE BUILT FLAT HORNSEY

Two bedrooms, 1 reception, bathroom, separate w.c., fully fitted kitchen, double glazed throughout, c.h., constant hot water, Cty., lift line, 95 year lease. £29,000 incl. carpets, curtains and fittings.

01-340 2505 after 6.

GATWICK AREA
(45 mins. London)

3 bedroom semi (21 years) Through lounge/diner, fitted kitchen, blue part tiled bathroom suite gas C.H. garage. 2 main line stations, easy reach, near shops and schools

£29,000 for quick sale

Phone Crawley 518633

DORSET WEST BAY

Secluded 2 bed. bungalow. Remarkable position. 1 minute golf and harbour. All mod cons.

£30,000 o.n.o.

Tel 0535 (Yeovil) 6468 (days) or 27242 evenings

GENERAL

RADNORSHIRE

Modernised four bedroom stone farmhouse, double-glazed with wood-burning stoves. Direct access to open common. 33 acres adjoining also available.

F/hold £30,000 o.n.o.

WOOSNAM & TYLER
BUILTH WELLS (09822) 3248

WEST DORSET

For details including colour photos of cottages, bungalows and flats, contact, Harold Brook & Partners, 38 Hogshill Street, Beaminster. Tel: (0308) 862437.

SYDENHAM SE26

Superior 4 years old house in small secluded private mews. 2 double bedrooms with fitted wardrobes, large reception, fitted kitchen, bathroom with shower, downstairs cloakroom, gas C.H. Garage. Planned garden with patio. £31,950 o.n.o.

Tel. 01-639 1348 eves. 291 2240.

RURAL RETREAT CONINGSBY, LINCS

½ ml. from village. Surrounded by farmland. A very pretty 2 bed. cottage, totally renovated. Large kitchen with Aga. Lounge with patio doors, etc.

1.6 acres including sheds, stable, etc. £21,000.

0526 42617

COTSWOLDS
17th/18th Century Weavers Cottage

In village designated as area of natural beauty. Terraced stone Cottage with all services. Sittingroom, kitchen/breakfast, 3 bedrooms, bathroom. Manageable garden. In quiet cul-de-sac with views over Nailsworth Valley. Best offer over £30,000.

Amberley 2301

COWES
Isle of Wight

New (never lived in) 4 bedroom detached house. Large fitted kitchen, bathroom etc. Lounge with large picture window overlooking seafront and river, garage, small garden. Gas C.H. £33,000 o.n.o.

01-777 1900

GENERAL

PEARSONS

NORTH DEVON
EXMOOR NATIONAL PARK

A small Hill Farm including a derelict shepherd's cottage and some 10½ acres. Offers £20,000.

Local Office Stockbridge (026481) 792

PALMEIRA AVE HOVE

Newly decorated 2nd floor flat. Charming converted house. 2 large bedrooms, lounge/diner, study, bathroom, kitchen, sep w.c. 99 year lease

£27,500

Tel: 0273 736555

IDEAL FAMILY HOME

W.7. Semi-detached house, recently modernised. Centrally heated. 4 bedrooms (2 double, 2 single), lounge, large dining-kitchen, plus extension. 50ft garden.

£31,500 inc. carpets.

Tel. 01-578 6879

WATERLOO 17 MINS.

Semi-detached Surbiton, 4 good bed., 2 recept., modern fitted k. & b., garden, garage. 5 mins. on foot station, Thames, Sainsbury's, 1 min schools. Opp. Hampton Ct. Park (ferry). Peaceful £32,000

01-390 3583

VERY CHARMING COTTAGE

Twickenham. End of terrace artisan's cottage attractively converted by designer, for own use. 2 receptions linked by arches, 1 double, 2 single bedrooms, kitchen, bathroom. Pretty walled garden. Night storage heating. [illegible] £34,000 includes carpets, curtains & blinds.

TEL: 01-891 1685.

FARNHAM, SURREY
PERIOD TOWN COTTAGE

End of terrace of 3 similar 3 storey cottages, within few mins. walk of centre and station. Sittingroom, kitchen, 2 bedrooms, bathroom. Small courtyard/gdn. Gas c.h., rewired, replumbed. Low outgoings. £22,000

Farnham 713179 or Aldershot 22715 (weekdays).

DIDCOT
SOUTH OXFORD
MUST BE SEEN TO BE APPRECIATED

Wates-built Semi-detached House

Carpeted throughout. 3 beds., 2 with fitted w/robes, bathroom with coloured suite, downstairs cloakroom, study, lounge/dining room, fitted kitchen, many extras. Superb condition throughout. Landscaped gardens front and rear. Sep. garage. Near shops, 15 mins. walk to main line station with fast trains to Paddington (35 mins.).

Freehold £35,000

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MARLER 0234 711451

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WELL MODERNISED LISTED TERRACE COTTAGE (erected 1834). 2 bedrooms, bathroom, sitting room, dining room with open kitchen off. Gas-fired central heating. 2 outhouses. Garden. No garage or space.

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MODERN SEMI-DET. HOUSE. 3 bedrooms, bathroom, 2 reception rooms, kitchen. Gas-fired central heating. Double glazing. Det. garage. Garden including greenhouse.

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In well served village midway Canterbury/Folkestone. Small det. house, 3 beds, 2 recep., kit., bath/W.C., C.H. Mains services (no gas). V. small garden. Parking two cars. Ideal weekends/commuting. Hunting, walking, relaxing.

£35,000 F.H.

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After hours /534

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S.W. Cornwall

Helford. 3-bedroom cottage for modernization, stone's throw from the River in this picturesque village. Detailed plans passed for conversion. For sale by auction 30th July.

Cadgwith. Det. coastal property for conversion and modernization, in this lovely unspoilt fishing cove. Superb sea views. 3 beds., kit., 3 recep., storeroom, conservatory, cellars, garden. For sale by auction on 30th July. Further details of the above from Miller & Co., 22 Meneage St., Helston. Tel. (03265) 3383.

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Quiet cottage on unspoilt village green. 2 bedrooms, reception, kitchen, bathroom.

£24,750

0844 290720

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Exclusive rural locality. Local Suffolk red and yellow brick construction. Quarry tile floors. Florida design conservatory. Private road, large garage. Boat moorings available. Fitted carpets, many additional interior items. Offers in excess of £21,500.

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01-318 1311/2

Greenwich, S.E.10. Superb split-level conversion in quiet cul-de-sac adjacent Heath. c. 1804. 3 beds, bath., cloaks and w.c., lounge, well-fitted kit., gas c.h., sun trap patio. £34,000 Leasehold.

Blackheath, S.E.3. Excellently maintained 3-bed. top floor flat, part of 4-storey listed building. c. 1840. Attractive lounge, fully fitted kit., gge., communal gdns. £34,000 Leasehold.

Greenwich, S.E.10. Luxury 2nd floor p/b flat, on edge of Heath. Gas c.h., lounge with south facing balcony, 2 beds., fully fitted kit., breakfast room, communal gdns., gge. on block. £34,950 Leasehold.

May and Company
Est. 1880

S.W.10. Well mod. 2 bed gdn flat, lge recpt., k. & b. C.H. 990 yrs. £32,250.

S.W.5. Well maintained 2nd floor flat in gdn square. 1 bed, good recpt. k. & b. 95 yrs. £29,950.

S.W.10. Ground floor pied-a-terre in quiet road. Bed., recpt. k. & b. 29 yrs. £19,950.

302 FULHAM RD., S.W.10.
352 9431.

POOLE, DORSET

Luxury 1st floor Flat in small block. 2 double bedrooms, fitted wardrobes. Bathroom with shower fitting, sep. w.c. Good lounge with patio windows to balcony. Good size fitted kitchen. Garage. Harbour glimpses. Nr. Parkstone golf course. £29,750 including fully fitted carpets and curtains.

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In commanding position overlooking Brodick Bay. New five apartment homes for early possession. £30,000–£35,000. R. M. Stirling & Co., 51-53 Scotts Road, Paisley PA2 7AS. 041-889 2950.

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Chestfield 2833

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Large 3-bedroomed terraced house. 2 reception, kitchen, bathroom, double glazed throughout. Newly decorated. Garden. £28,000 freehold.

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SANDGATE, FOLKESTONE, KENT

1 MINUTE FROM BEACH. Spacious 3 storey house at moment divided in to 3 one bedroomed self contained flats, but easily converted back into family residence. Top floor studio commands panoramic views of the sea. Full c.h., newly decorated throughout. £33,000. Tel.: 01-802 6354 (eves.).

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Easy access to the M6. Stone-built farmce, furnished and equipped. 2 bedrooms, combined bathroom and w.c., lounge, kitchen, walk-in pantry. Small gardens front and rear, stone store. Overlooking pond and canal bank, with wild life, etc. Never used for letting. Reason for sale—bereavement.

£19,000

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A UNIQUE OPPORTUNITY TO ACQUIRE A FREEHOLD SMALLHOLDING ON ISLE OF SKYE

A new Chalet Bungalow of double-block construction, insulated and fully double glazed for warmth. 3 bedrooms, sitting room, L-shaped kitchen/diner. Bathroom with avocado suite. Utility room, etc. Near all amenities, schools, shops, P.O., etc. in the Glen.

11 acres fertile land—8 arable, 3 pasture, barn, cattle pens, hay storage. Main stream runs through property to join boundary river to loch.

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Access to property by private road off country road.

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The Tontines Castle Connell County Limerick

This old Georgian Residence situated close to river Shannon (100 yds.), comprises of 5 beds., master bed. has beautiful view on to sea. 2 recepts., 14ft. x 18ft. Kit., bath., 3 w.c.'s, shower unit, utility room. All rooms are very large and fitted with fireplaces. The large, pleasant garden measures 220ft. x 20ft., with iron gate at rear. There are no rates and Ireland will also be doing away with their ground rent in the near future. 150-yr. lease. Good value at only £33,000. For further details

Phone 01-399 1858 after 6 p.m.

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Near Lewes. Modernised period cottage with c.h. in attractive Downland village. Station 4 miles, coast 9 miles. 3 bed., 2 reception, etc. Attractive garden. Offers invited.

Robertsbridge, near Battle. Period cottage, spode beams, inglenook fireplace. Easy reach station. Lounge, kitchen dining room, 2 bed., etc. Garage available. Cottage garden. £28,500.

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Burtenshaw Walker,

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DETACHED BUNGALOWS from £29,950

Superbly built 3-bed. detached bungalows in the west country town of Yeovil. Well served with shops and facilities and with easy access to the main routes. These new homes are complete with full gas C.H., modern fitted kitchen, garage and excellent after-sales service and are on a landscape site. All from only £29,950. Also available—3 bed. semis from £24,500.

Please contact Mrs Haley on Yeovil (0935) 22247.

BETTER BUILT BY ROGER MALCOLM

DETACHED BUNGALOWS FROM £29,950

Superbly built 3 bed detached bungalows in the west country town of YEOVIL. Well served with shops and facilities and with easy access to the main routes. These new homes are complete with full gas C.H., modern fitted kitchens, garage and excellent after-sales service, and are on a landscaped site. All from only £29,950. Also available 3 bed semis from £24,500.

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Better Built by Roger Malcolm

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Immaculate 3 bedroom semi-detached Chalet. Coloured bathroom suite, hall, sun lounge, lounge, open fire. Kitchen diner, walk in larder. c.h. Beautiful decor interior and exterior. Garage, secluded garden. £28,000 incl. fitted carpets.

Tel: (0985) 2154111.

Modernized Farmhouse CLOSE LOCH NESS

3 bedrooms, 2 recept., k. & b., etc. 2½ acres. Extensive outbuildings adjoining property for possible extension if required. Land adjoins National Trust woodland.

£26,000. 046-388 267

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Luxury garden flat with carport. 2 bedrooms (built-in wardrobes), living room, fitted kitchen, bathroom with shower. Fitted carpets. Recently converted. Close all amenities. £31,500.

-558 3602 (day).
or 692 6683 (after 6 p.m.)

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Sunny first floor Maisonette, 2 bedrooms, own secluded garden. Private drive. Sell retired. Bus routes to Richmond, Kingston B.R. Waterloo.

£30,000

Ring: 01-977 1347

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£23,950 o.n.o.
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WEST DORSET, BRIDPORT £33,000

Fine, modern, detached bungalow, ideal for retirement, enjoying panoramic views and easy walk to the shops. 3 bedrooms, bathroom, lounge/dining room, kitchen, cloakroom, gas-fired c.h. Detached garage, private garden.

WEST DORSET, WEST BAY £24,950

Modern ground floor self-contained luxury flat, close to old harbour, beach, golf course, etc. 2 double bedrooms, luxury bathroom, 20ft. lounge, kitchen, c.h. and parking.

ALISTER P. GOWER & PARTNERS

2 SOUTH ST. BRIDPORT

TELEPHONE: (0308) 23377

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CLOSE TO BOURNEMOUTH

Blandford, Georgian, 18th century listed property on three floors. Full C.H., yard and cellar. 3 double bedrooms, lounge, diner, kitchen and bathroom. Newly decorated. Close to all amenities.

Tel: 0258 55253 (eves); 02586-302 (eves)

15th CENTURY COTTAGE

Semi-detached. 3 miles Ashford, Kent. Good condition throughout. 2 beds., sitting room with inglenook, separate dining room, small kitchen and bathroom. Easy to keep, well laid out small garden. Ideal weekends or retirement.

£35,000

Phone Ashford, Kent (0233) 33012

DEAL, KENT

Elegant 3 bedroomed Georgian style house situated less than 1 mile from sea. Spacious lounge/diner. Full gas C.H. Beautifully fitted kitchen. Wrought iron staircase, well kept garden, garage and ample parking space. Close to all amenities.

ONLY £34,000 FREEHOLD
PHONE NOW TO VIEW
WORTHING (0903) 39993, ext. 305
(OFFICE HOURS)

BOURNEMOUTH

Spacious semi-detached Edwardian house. 5 double bedrooms, 4 with washbasins, bathroom with new suite and shower, small shower room, WC and separate WC. Lounge and large kitchen (breakfast room). Fully fitted separate dining room. Full gas central heating, and garage. Ideal for bed & breakfast.

£34,250 Freehold

Including carpets and curtains. Phone Bournemouth (0202) 302149 (after 6 p.m.)

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Character, hamstone thatched cottage. Dorset coast 14 miles, mainline station 3 miles. 3 bedrooms (2 double, 1 single), large living room with inglenook and beams, modern kitchen and bathroom, 2nd WC and porches front and rear. Secluded pretty garden with stone outbuilding. Garaging nearby.

£29,500

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Dane Hill, Mid Sussex

Detached retirement Bungalow (1928). Brick built. 3 rooms. Extension scope. ¼-acre garden. £29,995.

POWELL & PARTNER, Forest Row, Sussex 034 282 2261

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Harbourside, Johnshaven by Montrose, ground floor flat, converted Bakery. 3 large rooms, plus bathroom in peaceful location near public transport.

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20/30 mins lovely sandy beaches. Lovingly maintained detached bungalow. 2 double beds, 1 single, bath/shower, fully fitted kitchen, ceramic surfaces, eye level cooker, concealed lights, etc. Sitting room with feature brick fireplace. Terraced 1 acre garden, lovingly cared for with fruit and veg garden. Greenhouse. Garage and workshop. Gas C.H. All recently decorated. A lovely home for only £34,000.

Thetford 3473

CORNWALL

1972 Dormer detached house. 3 bedrooms, lounge/dining room, fully fitted kitchen, bathroom, cloakroom. Integral garage, garden, greenhouse, shed, double glazing and storage heaters.

£24,000 Freehold

Phone St. Austell (0726) 2667

BRIGHTON WESTDENE
NEAR HOVE BOUNDARY

Detached spacious bungalow with integral garage. 3 bedrooms, very large lounge overlooking garden and across valley. Kitchen, bathroom, sep W.C. Small loggia.

£35,000

BE HAPPY HERE!

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Geo. Joslin

COLLINGHAM GDNS., S.W.5. 2 spacious studio flats, elegant building, lovely comm. gardens. 74 years. £22,000 and £25,000.

PARK WALK, S.W.10. A selection of 1 and 2 bed flats in popular purpose built block. Leafy outlook. 121 years. From £23,000.

FULHAM, S.W.6 (Nr. Bishop's Park). Recently mod. 1st floor 2 bed flat, gas c.h., c. and c. 120 years. £32,500.

REDCLIFFE SQ., S.W.10. 1st floor flat, recent GPK conversion, 1 bed, large recep., c. and c. 72 years. £24,950.

HARCOURT T'ACE., S.W.10. Large exquisite studio flat, newly modernised to very high standard. 70 years. £25,500.

KENSINGTON HIGH ST., W.8. Purpose built 2nd floor flat, 1 bed, c.h. and c.h.w. 137 years. £29,500.

PHILBEACH GDNS., S.W.5. New conversion of 5 flats, 1–2 beds, gas c.h., communal gardens. 99 years. From £22,500.

NEVERN SQ., S.W.5. Unmod. balcony flat, 2 beds, 2 recep., k. and b., communal gardens. 85 years. £35,000.

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327 Fulham Road London SW10 9QL

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YORKSHIRE DALES
(Pateley Bridge)

A first class opportunity to purchase a freehold wing of mansion (formerly owned by Countess Mountgarret). The wing comprises 2 floors, containing 9 rooms in all, plus 2 bathrooms. Sufficient to provide self-contained accommodation for 2 large families or 1 family plus self-catering holiday accommodation. In addition there is over half an acre of apple orchard and garaging for 2 cars. No water rates (own spring with underground storage tanks). A quick sale is required hence the price of £34,975 and a private mortgage available of £20,000 at a flat rate of 10% over 20 years.

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98 High Street,
Knaresborough,
North Yorkshire.
Tel.: (0423) 864201.

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Delightful traditional stone-built cottage in a most attractive position on the unspoilt rugged N.W. Pembrokeshire coast. Carefully modernised to very high standards to provide most modern conveniences without destroying traditional character. Accommodation comprises: living room, kitchen, pantry, dining room, bathroom and 3 double bedrooms, attractive gardens laid out for minimal maintenance, tool shed and fuel store. Ideal base for walking, birdwatching or just getting away from it all. Tel. 0437 [illegible] Lees & Thomas. Ref: 2013.

PENINSULA, S.E. CORNWALL

Detached cottage-style bungalow with many olde-worlde fittings. Large Cornish stone fireplace in L-shaped lounge/diner, large fully fitted kitchen, 2 double bedrooms with fitted wardrobes, bathroom, shower room, full central heating, double garage, gardens.

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FOR QUICK SALE
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(1 mile)

The ideal country retreat. Period Cottage on edge of country village and near to high class restaurant. Hall, sitting room/dining room, kitchen, 3 bedrooms, 2 bathrooms, shower room. Mains services. £32,500.

For details of this and other Norfolk properties

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Cromer. Tel. 0263 513764.

BENLAR BEQ VILLAGE
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Beautifully restored farmhouse. Furnished, swimming pool, 4 bedrooms, 2 bathrooms, kitchen, lounge, dining room, patio, large covered terrace. All services. Telephone. Lovely gardens. Fruit trees, ½ of an acre. Delightful orange groves nearby. Within each reach, sea, and main road. Alicante, Valencia. £35,000. Tel. 01-840 2330.

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200 yr old Character Cottage

On outskirts of quiet village, but only 10 miles Taunton and M5. 2 bedrooms, bathroom, large kitchen with Rayburn. Lounge (open fireplace). Garden. Easy walking in beautiful countryside with riding and fishing nearby.

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SOMERSET

Thatched cottage in any hamlet in pleasant country area. Peace guaranteed. Fully modernised. Lounge, Dining Room, Kitchen, 3 Bedrooms, Bathroom, C.H., part Double Glazed. Front Garden, also Garden adjacent. Only 12 miles to Crewkerne and Yeovil.

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Beautiful countryside surrounds this pleasant garden flat in traditional village house, 50 yards from sea. Comprising of 2 double bedrooms, living room, kitchen & bathroom. Open fireplaces. Large vegetable garden. Marvellous walks, historic castles & gardens. Deep sea fishing, sailing, golf courses. £15,000. Full details ring 01-402 5093 or 0333 320744 (Scotland).

COTSWOLDS

Character cottage, outskirts Charlton-Kings Village, Cheltenham. Kitchen, bathroom, sitting-dining room. Storage heaters, 2 bedrooms, 1 with wash basin. Attractive well kept garden. Car space. Ample room for expansion.

Price £27,500

Rateable Value £74.00

Tel: 0242 512308

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Charming detached part-stone Cottage 12 miles Abergavenny. Elevated position with superb views over "The Golden Valley". Tastefully extended affording 3 bedrooms, bathroom, lounge, dining/lounge, kitchen & w.c. Garden and long, narrow, orchard. Outbuildings.

ONLY £30,000

Phone now on Golden Valley (0981) 240614.

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Detached character cottage, architect restored and situated in unique position on the Chesil Beach. Superb holiday home, ideal for fishing, skin-diving etc.

£29,000 for quick sale.

Tel. Mr. E. Whitehall 093-[illegible]
(Mon-Fri 9 am-5 pm)

60 yds from Tidal Creek Pembrokeshire National Park

Rare opportunity to purchase a pretty cottage situated ideally for BOATING AND FISHING. 3 bedrooms, bath, farmhouse kitchen diner with pine panelling, knotted pine panelled sitting room. Garden including ¼ acre orchard.

£[illegible] o.n.o.

Tel. John 0437 890708.

SEA FRONT

Luxury second floor flat. Sea views from lounge 18ft. x 12ft., kitchen and bathroom. Two large double bedrooms with built-in wardrobes. Electric radiators in all rooms. Communal gardens. Garage just behind flat.

£34,000
No Agents.
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VIEWS OF DORSET DOWNS

15 miles from beaches, this light and sunny semi-detached House comprises 2 double and 1 single beds., fully equipped kitchen, lounge/diner with baxi fireplace, bath, and sep w.c. Front and rear garden with sunny aspect. Close all amenities.

£30,000 o.n.o.

Cerne Abbas 595

BEMBRIDGE I.o.W.

Spacious, immaculate ground floor flat in village centre. Three bedrooms, dining room, bathroom, kitchen, large hall, gas fired c.h. French windows from drawing room onto patio. Large secluded garden.

ONLY £27,000
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BEMBRIDGE (098387) 3656

DELIGHTFUL STONE BUILT COTTAGE, WEYMOUTH

Fully modernised, 3 beds, 1 master with shower en suite, 2 reception, fully fitted kitchen, large lounge, dining room, bath. Gas c.h., garden laid to lawn. Garage. Offers on £30,000.

0305 81 3536 (day)
3580 (eves).

VERWOOD

Detached 2 bedroom bungalow, lounge and bathroom, electric C.H. Nice gardens. Includes fitted carpets, curtains, light fittings, gas fire and various other fittings.

£27,750 Executor Sale
Sole Agents: ORMISTONS,
3 The Parade, Verwood, Dorset
0202 824111.

SOUTH RONALDSAY, ORKNEY

Substantial, meticulously stone-built retirement house. Electric C.H., insulated, D.P.C.

£17,000

Stone cottage rebuilt in 1976.

£15,000

Also details 5 acre development site in Finstown. £22,[illegible]

0264 740749

HIGHCLIFFE CHRISTCHURCH, DORSET

8 year old 5 bedroom Georgian style house. Gas c.h. Easily cared for sunny garden. 10 mins. walk from beach and excellent shopping. 5 mile from station (main Waterloo line).

£34,500 Freehold

Phone Highcliffe (042 52) 77777.

CORNWALL

Maisonette with panoramic views overlooking Fowey harbour and planning permission for conversion of this and the floor to two flats. Existing self-contained flat on first floor with bedroom, livingroom, 12th century fireplace, kitchen and bathroom. Only £30,000. Phone Fowey (07268) 2347.

…ifficult …nd of …e market

…t you get for £35,000 …nds in 1980, as always. …here you want to live. …uick ring round the …n shows that the sum is sufficient to buy a small dilapidated farmhouse …ornwall (no land or sea …s); a commodious ruin …e Cotswolds; a comfort… four bedrooms in mid…s; a claustrophobic …bedrom (sic) cottage …r thatch in Hampshire; …n uninhabitable single …om flat in Chelsea.

…parts of the west Mid… and industrial York… it will buy a terrace of …ll cottages; else… (various options) it …ring an ancient monu… in the shape of a listed …ing on a domestic scale. …y in urgent need of …tion and rescue.

…every area of Britain …0 still buys the myth… average" second-hand … with the cost of the …left over (though, it …e admitted, in the case …ater London only just). …on of average second …rices is currently from … in Yorks and Hum…, and little more in …rth, North-West, east …ds and Wales) to … double, £32,000, in … London.

…houses are generally …expensive, but again …within the £35,000 … The national average …ese, at £26,500, com… with £23,000 for sec…nd, and the differ… seems to have been …ing lately.

…et, though, it is clear …e properties under … are just as various, …ndeed considerably …umerous than those … higher.

…peak of any area of the housing market as being depressed now would be wrong. Mortgage tax relief still makes a house a safer bet than British industry for anyone willing to invest. But to the extent that the rise in house prices has been slowed, and the market dulled, it is the lower price range that has suffered.

First-time buyers are still coming forward, and there is mortgage money to be had without undue difficulty. But we are now reaching the position where the limit on mortgage tax relief, set in 1974 at £25,000, is beginning to affect even young couples with their eyes on their first home.

It is no unusual thing these days for a married couple, both working, to muster a joint income of £11,000 or even £12,000 a year—which would merit a mortgage in excess of £25,000 within their aspirations. The denial of tax relief, added to the already record level of the mortgage interest rates, lowers their sights and, by stiffening competition in the bargain basement, makes things even harder for the less well-off struggling to get their first foot on the ladder.

In opposition the present Chancellor clearly emphasized the importance of retaining the real value of mortgage tax relief allowed. To retain the real value of the limit set in 1974 at £25,000, the ceiling would now have to be doubled—to £50,000. Yet two budgets have now passed, and Sir Geoffrey has still not acted.

One factor which has kept the first home market relatively stable is the increasing number of single people who are taking the plunge by themselves. Stoke Newington and Fulham, it appears, are full of youngish career women setting up in little late Victorian cottages and forgetting the dull cares of the office by covering everything, from the windows to the four-poster bed, in lace and Laura Ashley. They seem very happy on it.

There are also more bachelors putting the acquisition of a house ahead of the selection of a wife. It reflects the social trends of our time towards women's lib and looser (or should one say more flexible?) social relationships. The pill and Germaine Greer have their consequences, too, in the house prices of the 1980s.

Where stagnation has really set in, it appears, is among those who would by now be considering changing house for the first time, people for whom the "average" house *is* probably the next step. The difference, apparently, is that while first time buyers are by nature impatient, the house-owner thinking of a change is aware that the decision can be deferred.

Stamp duty is a hefty disincentive to moving a second time. On the £35,000 house it amounts to £475. Beware. On the house costing £35,001 it leaps to £700. Its revenue implications are much more considerable for the Government than those of mortgage tax relief, so there is probably little hope here of further important change in the near future.

Estate agents' and solicitors' fees, added to stamp duty, sweep the cost of buying a £35,000 house up by an estimated average of £1,150—and that is before you have thought of the removal men, or the costs of selling a house already owned.

The advice is to shop around for solicitors when buying (estimates and final bills do vary idelyw) and estate agents when selling (same applies), or indeed to consider undertaking the work yourself. Helpful publications are available from bookshops or Consumers' Association, Caxton Hill, Hertford, SG13 7LZ.

Robin Young

Where the Bow bells toll

Visitors to the Isle of Dogs, that wedge of Tower Hamlets crooked in a U-bend of the Thames, are not immediately struck by its warm and homely associations. Most of the area is wasteland or semi-derelict dock, although there is a scattering of grim-looking flats around the periphery. So the notice—"Welcome to the Isle of Dogs"—erected at the eastern entrance, presumably by some zealous community organization, is a thoughtful touch.

Here you have one of the worst areas of urban deprivation in London. Yet it paradoxically contains property of extraordinary potential for public or private housing.

There may be disappointments, however, for the adventurous buyer who hopes that in the East End he will find a house that is both close to central London and cheap. Wherever he looks, someone will almost certainly have been there before, cheque book in hand. Going without local shops, transport or amenities is not, unfortunately, enough to guarantee a bargain—unless, as seems quite likely, a quarter of a million will seem a snip for anything in 10 years time.

Bow takes its name—as the recently published *Place-Names of Greater London*, by John Field, informs me—from an arched bridge that used to span the Lea, built in the reign of Henry I. But nothing from that time survives, and the book is uninformative on the most interesting architectural phenomenon in the area today. Tredegar Square—a surprisingly handsome square of white stucco houses erected in about 1835. Many of these houses have already been restored, and one estate agent told me that "MPs" (unspecified) live there: this need not necessarily lower the tone.

To the north of this is an area of late nineteenth century artisan terraces of an attractive design, sometimes with three arched windows joined together on the first floor. The streets are quiet, even though the main line from Cambridge to Liverpool Street tears through the centre, and the ethnic population is largely Bengali. It is unusually favoured among East End districts in that two tube lines run through it, which makes it convenient for the City.

Of course, it has always been rough. The substantial houses in Tredegar Square were built with a special iron cage over the basement areas to deter burglars. House-breaking is perhaps inevitable in an area of high unemployment (for which the figure in Tower Hamlets is running at 12 per cent). More disturbing still is violence, and the murder of a man at Bromley-by-Bow tube station last summer may discourage some people from catching the last train.

These social ills are no worse than those of Islington when the first "gentry" moved in. The strongest argument against the East End ever now acquiring the fashionability it has never had (or probably desired) is its geography. Bow has a comparatively large extent of intact nineteenth century terraces, but it is an island. What is now called Docklands was the worst blitzed of any British civilian target in the war. Misguided redevelopment in the ensuing two decades replaced whole streets with high-rise blocks of flats for which the social toll is being paid. Areas of old housing stock are thinly scattered.

Few complete streets of artisan houses, of the Fulham type, survive—Bow itself has only a handful. Individual nineteenth century houses exist in Stepney and Limehouse—tarry veterans of the time when the north bank of the Thames east of the Tower was a continuous stretch of riverside hamlets (some houses still have flagpoles in the gardens). But they rarely survive in terraces of more than three or four, although occasionally a fine church—like Hawksmoor's two masterpieces, St Anne's Limehouse, and St George's-in-the-east, and the former East India company chapel, St Matthias's, Poplar, makes a disparate area coalesce. It is unlikely that anything that could happen in the private housing market will make much difference to Docklands' present character as a whole.

One area still has a sufficiently compact identity for change to be general. Spitalfields, to the east of Liverpool Street, is run down and decayed to the extent that one might now be immediately aware of the fine quality of its buildings. These, of which the grandest were built by rich eighteenth century silk merchants and silk weavers, now form the background to the seedy street life of Brick Lane.

Large areas have been demolished for slum clearance—nothing being put back in their place; but at least it now seems that what has survived so far stands a chance of remaining. In 1977, the Spitalfields Historic Buildings Trust was formed to buy houses threatened with destruction, selling them later—on a non-profit basis—to owners who will restore them. Last year the Trust sold two houses in Elder Street, which it had taken the unusual measure of restoring. The price was £60,000 for each, although unrestored houses cost anything from a few thousand pounds up.

There are other inner London areas apart from the East End where houses under £35,000 can be bought. One is de Beauvoir town, in Islington, parts of which were laid out to a never-completed scheme in the 1820s. The land had been inherited by a curate named Beynon, who changed his name to the more grandiloquent one of de Beauvoir. He had an eye for the market, foreshadowing later suburbs in the fantasy of styles.

Or there is Battersea. It falls into three parts, Old Battersea, to the west; Prince of Wales Drive, where prices rose more quickly, according to one local estate agent, in last year's boom than in any other area of London; and a large area of artisan houses called the Shaftesbury estate, built in the 1870s to house the dispossessed from the Cadogan redevelopment of Chelsea. But I will not warm to the theme because I live there.

The author is a writer for Country Life.

Clive Aslet

Illustration by Lee Duff

Motoring

How Japan halved its road deaths

Japan has produced some remarkable motoring statistics, and not the least is that only half as many people are killed on the roads now as 10 years ago.

Road casualties fell everywhere after the oil crisis of 1973-74, but in most countries it proved to be a temporary phenomenon caused by motorists driving less, and more carefully, under the threat of petrol rationing. As the threat receded the figures began rising again.

In Japan, however, the reduction has been much greater and longer sustained. If the oil crisis was a factor it cannot have been the only one. There are, in fact, a number of possible explanations.

Road deaths in Japan rose steadily during the 1950s and 1960s, reaching a peak of 16,765 in 1970. Japan had one of the highest casualty rates in relation to vehicles on the road of any developed country.

There seemed to be two main reasons. The first was a rapid increase in the numbers of vehicles, from half a million to more than 17 million between 1956 and 1970. During that period a high number of new, inexperienced, drivers came on to the road.

A joke was told that after the Second World War the former *kamikaze* pilots became taxi drivers in Tokyo. But so appalling was the standard of driving that they wished for their old jobs back as being less dangerous.

The other factor was that road building had not kept pace with the increase in traffic. Even major roads were of poor quality and, until recently, Japan still had fewer miles of motorway than Britain: and motorways, for the traffic carried, are easily the safest type of road.

The Japanese, in effect, declared this appalling toll a national disgrace. A government traffic safety committee was set up, chaired by the Prime Minister, and it inaugurated five-year plans to reduce accidents.

The first started in 1971 and it was followed by a second which runs out in December. The results have been little less than sensational: by 1978 road deaths had fall to 8,783, a drop of 47 per cent over the 1970 level, while injuries over the same period fell from 981,000 to 594,000: and all this while the number of vehicles on the road doubled.

A White Paper issued in 1979 gave much of the credit to the development of what it called traffic safety facilities. It pointed out that the country had twice as many miles of pavement in 1978 as in 1970, six times the length of bicycle paths, five times as many road signs and four times as many traffic signals.

The roads became steadily better and the motorway programme at last got under way. Some contribution was made by better standards of vehicle safety. Judging by the first examples to reach Britain, the typical Japanese car of a decade ago was sufficiently primitive in its handling to catch out the inexperienced driver.

Much emphasis in the five-year plans was put on road safety education, with campaigns aimed particularly at the most vulnerable road users—children, old people and the handicapped. That seems to have paid off, for accidents involving those groups have been steadily decreasing.

Legislation has also played a part. While Britain and several other countries have a legal blood alcohol limit of 80 milligrammes per 100 millilitres, Japan has made it an offence to drive with any alcohol in the blood. In spite of, or perhaps because of, this the number of drink driving offences has continued to rise.

The impressive fall in road casualties has been achieved without resort to a law which many would consider the most obvious: compelling the use of seat belts. In 1971 drivers in Japan were officially advised to wear belts but there were no penalties and no enforcement. Only 6.6 per cent of drivers complied, and by 1978 the figure was still only 20 per cent (against about 33 per cent in Britain).

In Britain we tend to congratulate ourselves on having one of the better road casualty rates, and deaths last year were the lowest since 1958. But Japan now has a much more impressive record, and the lesson from that country seems to be that progress can be made if there is a national will to do.

In the Cortina mould—Datsun's new Bluebird coupé

Datsun Bluebird

Driving a Datsun immediately after an Alfa Romeo made me wonder how two companies with such different philosophies of car design can find themselves contemplating if not marriage at least an intimate relationship. The car which Alfa and Datsun are planning to produce in southern Italy should be one of the motor industry's more interesting mongrels.

Alfa Romeo, particularly with its Alfasud which I enthusiastically reviewed last week, has built up a reputation for technical flair, for producing a driver's car. Datsun (and this is characteristic of the Japanese in general) is in the business of making reliable cars at the least cost, which tends to mean engineering that is simple, conventional and unadventurous.

On paper the latest Bluebird, a medium saloon in the Ford Cortina mould, seems to represent something of a departure from this norm. It was one of the first Datsuns with independent rear suspension; now, belatedly, it has adopted rack and pinion steering, a system widely considered to be more precise than the recirculating ball method used on most Japanese cars.

Curiously, however, neither of these features has produced the expected results. The rear suspension may be independent but the ride quality remains no better than ordinary, not as jarring as on many Japanese models but well short of the best European cars. And despite rack and pinion, the Bluebird's steering still has that vagueness that tells you the car is definitely not, say, an Alfasud.

To drive, therefore, the new Bluebird does not feel much different from previous versions. The gearbox, like most from Japan, is delightfully crisp, though crispness is not a word which can be applied to handling as a whole. The vague, and low geared, steering combines with underdamped suspension to produce a somewhat soggy feel: but the car holds the road well and the adoption of zero-offset front suspension (pioneered some years ago by Audi) means less kick back through the steering wheel and more stable braking.

The styling of the latest Bluebird emphasizes the comparison with the Cortina. The cars are similar in shape and size and I found myself wandering over to a Cortina in a car park thinking it was the Datsun. Derivative or not, the new bodyshell has produced a welcome improvement in passenger space. Japanese cars are often cramped in the back: this one is a full four-seater, even the coupé model I have been testing, which is more a saloon with two doors than a coupé in the traditional sense. The boot, which, like the lockable petrol cap, can be opened from inside the car, is wide and deep but shallow.

To give the coupé a sporting flavour, it has been fitted with the most powerful 90 bhp twin carburettor version of the venerable Datsun 1770 cc overhead camshaft engine which drives the rear wheels. Performance (0 to 60 mph in around 13 seconds, top speed nudging 100 mph) is acceptable and the engine quiet unless extended farther than most drivers would want. At 70 mph wind is far more intrusive than mechanical noise. The official figures suggest heavyish fuel consumption, but I managed nearly 30 mpg in town and, using the standard five-speed gearbox, 36 mpg on the open road.

The seats are well shaped and now adjust for height as well as rake and reach. The steering column, too, is height adjustable. One disadvantage of the coupé's styling is that thick rear pillars cut down visibility. There is an impressive array of instruments and warning lights and a digital clock that also tells the date. The car looks satisfyingly well finished.

The Bluebird first appeared 21 years and 4½ million cars ago, and if the latest version is difficult to get excited about, there are no serious criticisms. Like its predecessors, it will sell mainly on the promise of reliability—an owner's, rather than a driver's car. Prices range from £3,990 for the 1.6 litre saloon to £4,598 for the coupé.

Peter Waymark

Appointments Vacant also on page 10

Appointments Vacant also on page 10

(continued on pages 31 and 32)

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Broadcasting Guide

Edited by Peter Davalle

PERSONAL CHOICE

...he brand name of the cigarette on the shop front ...istinguishes this photograph from others of German-...ed territory in the Second World War. This is British ...ry, the island of Jersey. The story of the islanders' ...under the Germans is told in the two part documen-... The Lonely War (BBC 1, in several regions, 10.15).

...'t understand the reason for the Vive La France ! ex-...m used by the BBC in publicising its new season of French ...hich begins auspiciously tonight with Eric Rohmer's in-...ally satisfying and aesthetically ravishing Claire's Knee ...8.30). Does it indicate Corporation euphoria for the ...merit of the season's offerings ? If it does, nobody will ... with that. I suspect, however, it implies something quite ...t—a toast to the French way of life as reflected in these ... I am right, it will prove difficult to reconcile the ...tory attitude with some of the selected movies—Agnes ... One Sings, the Other Doesn't, for instance, and ...Sautet's Vincent, Francois, Paul et les Autres.

...nfinitely moving and inspiring account of a couple's ...of a thalidomide boy, told in the play On Giant ...rs which was screened for a second time on Tuesday ...as a sequel and you can see it tonight (BBC 2, 11.35). ...state brings the true story of Terry Wiles up to date, ...g with his 18th birthday and showing what a vital role ...tive parents and the principal of the college he now ...play in his life. It was 10 years ago that Douglas Salmon, ...duced tonight's programme for BBC East, first made a ...ut Terry. Some of the material he shot then will be shown ...ight, to emphasize the progress Terry has made along ...difficult road to a kind of independence.

...y at the Door, the ITV series about the German occupa-...e Channel Islands in the last war, was fiction ...ured on fact. The Lonely War (BBC 1, but only in ...regions, 10.15 pm) is a two-part documentary about the ...dicament but with all the stitches removed. It is the ... Guernsey man, Bruce Parker, who encouraged some ...anders to commit their wartime memories to film, and ...s footage of life in one of the camps set up to house ...annel Islanders who were deported to Hitler's Germany.

...an Morley should come up with some meaty material ...goes backstage at Theatre Royal, Drury Lane to talk to ...Sondheim, writer of the musical Sweeney Todd, and its ... Sheila Hancock and Denis Quilley (Radio 4, 9.30) . . . ...rtant debate on psychosurgery — the operation to ...he troubled mind — is repeated on Radio 3 at 7.30.

...E SYMBOLS MEAN : †STEREO ; *BLACK AND WHITE ; ...AT.

TELEVISION

BBC 1

6.40 Open University: migratory patterns of the plaice ; 7.05 Today's Reel ; 7.30 The nature of chemistry. Closedown at 7.55.
1.00 Trefnawyd Priodas: Welsh programme about a Sikh wedding.
1.30 Camberwick Green: Gordon Murray's puppet story ; 1.45 News and weather.
1.55 Wimbledon 80: Fifth day's play in the Lawn Tennis Championships. With commentaries from Dan Maskell, Peter West, John Barrett, Mark Cox, Ann Jones, Neale Fraser and Bill Threlfall. From the Centre Court and No 1 court. Further coverage on BBC 1 at 6.20 and on BBC 2 at 2.00 and at 10.15 (highlights).
4.20 Play School: for children under 5. The story of the Horse-Drawn Barge ; from Kintbury, Berkshire.
4.45 The Red Hand Gang: Part 3 of this adventure series. A race against time to save the jewel.
5.05 We're Going Places: Leslie Judd goes hiking in Shropshire. There are also visits to the Crich Tramway Museum in Derbyshire and Morecambe Marineland and Aquarium ; 5.35 The Wombles.
5.40 News: with Kenneth Kendall ; 5.55 Nationwide. Includes an interview with veteran actor Andrew Cruickshank, now in a play at the National Theatre.
6.20 Wimbledon 80: More fifth day coverage.
7.30 Citizen Smith: Wolfie Smith and the Tooting Popular Front engage a private eye to defend their friend Speed who has been accused of skulduggery.
8.00 International Athletics: World-famous names compete at Crystal Palace in the Talbot International Games. They include John Walker, the New Zealander versus Filbert Bayi in the 1500 metres (highlights at 10.50).
8.50 Points of View: Viewers' letters, answered by Barry Took ;
9.00 News: with Richard Whitmore.
9.25 Starsky and Hutch: A half-way house for ex-convicts becomes the setting for an elaborate frame-up involving a phoney priest and a deaf mute.
10.15 The Lonely War: Battleships of Iron and Steel. Two-part film about the German occupation of the Channel Islands during the last war. The reporter is Bruce Parker. (See Personal Choice) ; 10.45 News headlines.
10.50 International Athletics: Some of the best moments from the Talbot International Games at Crystal Palace.
11.20 Film: The Abominable Snowman (1957) Modest British thriller about a British scientist (Peter Cushing) and an American adventurer (Forrest Tucker) scouring the Himalayas for the elusive Yeti. Film ends at 12.55.

Regions

Wales: 11.30-1.30 Golf. 1.30-1.45 Byr a Bawd. 4.45-5.5 Bobol Bach. 5.55-6.15 Wales Today. 6.15-6.35 Heddiw. 6.35 Joint BBC 1 (Wimbledon). 10.15-11.05 Week In Week Out. 11.05-11.08 News for Wales. 11.08-11.38 Golf. 11.38-1.08 am Film. The Legend of Lizzie Borden. 1.08 Weather. **Scotland**: 1.25-1.30 Scottish News. 5.55-6.20 Reporting Scotland. 10.15-10.45 Living Legends. 10.45-10.50 News. 12.55 am Close. **Northern Ireland**: 4.18-4.20 Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15-10.45 Causeway Folk. 10.45-10.50 News. 12.55 am News. **England**: 5.55-6.20 Regional magazines. 10.15-10.45 East. Weekend. London. South East. The Lonely War. Midlands. Straight Talk. North. From the Top. North East. Most Heroic. North West. Home Ground. South. The Lonely War. South West. The Lonely War. West. The Lonely War. 12.55 am Close.

BBC 2

6.40 Open University: Living language ; 7.05 Ribosome ; 7.30 Beating the bogie. Closedown at 7.55.
11.00 Play School: The same as BBC 1, 4.20. Closedown at 11.25.
2.00 Wimbledon 80: More coverage of the fifth day of play in the Lawn Tennis Championships. Highlights of the day on BBC 2 at 10.15.
7.45 One Hundred Great Paintings: John Jacob goes to the Folkwang Museum in Essen to look at, and talk about, Macke's painting The Hat Shop. The theme of next week's selection of paintings is hunting.
7.55 News: with sub-titles for the hard of hearing.
8.05 Gardeners' World: A busy evening at Clack's Farm as Geoffrey Smith and Arthur Billitt concentrate on feeding and pruning back roses after the first flush of blossoms. They also take cuttings from shrubs and house plants and sow some late vegetables.
8.30 Film: Claire's Knee (1970) French film, English sub-titles. This is Eric Rohmer's sensitive "moral tale" about a writer (Jean-Claude Brialy) who pursues his landlady's two daughters while on holiday near Annecy. The owner of the eponymous knee is Laurence de Monahan (See Personal Choice).
10.15 Wimbledon 80: Highlights from the day's play.
11.00 Newsnight: News bulletins and behind-the-headlines treatment of the most important news stories of the day.
11.35 Man's Estate: What does the future hold for 18-year-old thalidomide victim Terry Wiles, the subject of last Tuesday's play On Giant's Shoulders? (See Personal Choice).
12.05 The Outer Limits: It Crawled Out of the Woodwork. Science fiction yarn about what a cleaning lady at an atomic research centre picks up with her vacuum cleaner. Film ends at 1.00.

THAMES

9.30 Grey Angels from Small Hope: Tropical marine life in Bahamas—and how it came to Torquay.
9.55 Film: A Night to Remember (1958). Non-nonsense version of Walter Lord's book about the sinking of the Titanic. The dreadful climax is very well handled. Starring Kenneth More. Directed with care by Roy Baker*.
11.55 Beany and Cecil: cartoon. Crime Doesn't Pay (r) ; 12.00 The Learning Tree: Education, with stories and music ; 12.10 Once Upon a Time: Peter Davison tells the story of the town mouse and the country mouse.
12.30 The Special Child: Educational programmes for mentally handicapped teenagers. With Dr Kenneth Day.
1.00 News ; 1.20 Thames News.
1.30 For Maddie with Love: Maddie (Nyree Dawn Porter), the sick wife, learns how Jack Burrows (Robert Lang) feels about her.
2.00 House Party: Magazine programme for women, presented by women.
2.25 Film: Bedtime Story (1964). Marlon Brando and David Niven as a couple of confidence tricksters after the same girl (Shirley Jones). A comedy of no great quality, but the star names should exert a certain amount of "pull".
4.15 Worzel Gummidge: Tales of a scarecrow (Jon Pertwee). Today, he calls on a former lady love (Una Stubbs (r) ; 4.45 Runaround: Quiz game for children. With Mike Reid.
5.15 Emmerdale Farm: Amos's doubts about the outcome of the charity auction.
5.45 News ; 6.00 Thames News.
6.30 Looks Familiar: Down-memory-lane quiz show about show business. Denis Norden is the MC and his guests are Christopher Lee, Honor Blackman and Richard Greene (r).

London Weekend

7.00 Winner Take All: Jimmy Tarbuck's quiz game. Four new contestants compete for £1,000.
7.30 The Other 'Arf: Comedies about an MP and his cockney girl friend. Tonight: they visit a poet and there are social gaffes galore.
8.00 Vegas: An attempt is made to kill a Middle East princess (Kim Cattrell) in this thriller series starring Robert Urich.
9.00 Turtle's Progress: A lot of fuss over some top secret documents.
10.00 News from ITN.
10.30 Mary Hartman, Mary Hartman: American comedy series about a slightly crazy family. Said to have inspired the phenomenally successful series called Soap, though Mary Hartman is more disciplined.
11.00 The London Programme: There are fears that an oil disaster in the waters of the Thames estuary are inevitable. The programme's reporters go on a journey on a supertanker to find out whether the fears are well founded or not.
11.45 Luke's Kingdom: A hunt for the Australian bushranger responsible for raping a soldier's daughter. With Oliver Tobias in the title role and veteran Australian actor John Meillon as the soldier.
12.45 Close: Rita Tushingham reads Lady Wortley Montegu's poem To Imagination.

WAVELENGTHS : Radio 1 medium wave 275m/1089kHz or 285m/1053kHz. Radio 2 med wave 330m/909kHz or 433m/693kHz and 88-91 VHF. Radio 3 med wave 247m/1215kHz and 90-92.5 VHF. Radio 4 long wave 1500m/200kHz and 92-95 VHF. Greater London area only : med wave 720kHz/417m. LBC 261m, 97.3 VHF Capital 194m, 95.8 VHF. World Service : med wave 648kHz (463m). BBC Radio London 206m, 94.9 VHF.

RADIO

Radio 4

6.00 am News Briefing.
6.10 Farming.
6.30 Today.
8.35 Yesterday in Parliament.
9.00 News.
9.05 Desert Islands Discs.
9.45 Down the Garden Path.
10.00 News.
10.02 From Our Own Correspondent.
10.30 Daily Service†.
10.45 Story, 'Dragonflight ".
11.00 News.
11.05 A Journey to the Source.
11.50 Bird of the Week.
12.00 News.
12.02 pm You And Yours.
12.27 My Music.†
1.00 The World at One.
1.40 The Archers.
2.00 News.
2.02 Woman's Hour.
3.00 News.
3.02 Listen With Mother.
3.15 Play, "Echoes", by Elaine Feinstein.†
4.10 Who's Your Lady Friend ?
4.40 Preview.
4.45 Short Story.
5.00 News magazine.
6.00 News.
6.30 Going Places.
7.00 News.
7.05 The Archers.
7.20 Pick of the Week.†
8.10 Profile.
8.30 Any Questions ?
9.15 Letter From America.
9.30 Kaleidoscope.
10.00 The World Tonight.
10.35 Week Ending.†
11.00 A Book at Bedtime.
11.15 The Financial World Tonight.
11.30 Today in Parliament.
11.45 Patrick Moore.
12.00 News.
12.15-12.34 am Weather.
VHF
6.50 am Regional news ; Weather.
7.50 am Regional news ; Weather.
5.50 pm Regional news ; Weather.
11.00-11.30 pm Study on 4 : Introduction to Arabic. With 1f.

Radio 3

6.55 am (mw only) Weather.
7.00 News.
7.05 Records : Berlioz, Mercadente, Guilmant, Roussel.†
8.00 News.
8.05 Records : Copland, Falla, Dussek, Villa-Lobos.†
9.00 News
9.05 Week's Composer : Shostakovich (Sym 13).†
10.05 Piano : Bach, Mendelssohn, Beethoven (op 101).†
11.00 BBC NI Orch. Alwyn : Sullivan, Irish Sym).†
11.45 Minimal Music : Reich.†
12.05 pm BBC Northern SO/ Schwarz, pt 1 : Haydn (Sym 101), Blacher.†
1.00 News.
1.05 BBCNSO, pt 2 : Rachmaninov, Enesco.†
1.45 Clarinet, piano (Berkes, Kocsis) : Brahms (op 120 no 1).†
2.10 Ensemble : Tartini, Locatelli, Leclair.†
3.00 Quartet (Eder) : Haydn (op 76 no 4), Bartok (no 3).†
3.45 Building a Library : Bruckner (Sym 9).†
4.55 News.
5.00 (mw and mono only from 6.20) Music for early evening.†
7.00 Record : Corelli.†
7.10 One Pair of Ears : review.
7.25 Play It Again : preview.†
7.30 Surgery on the Mind : debate, pt 1.
8.15 Interval music.
8.30 Surgery on the Mind, pt 2.
9.20 Records : Vivaldi, Dutilleux.†
10.00 The Great Prayer (3).
10.25 Piano duo : Stravinsky, Ravel, Mendelssohn.†
11.00 News.
11.05-11.15 Record : Faber.†
VHF
6.00 am-7.00 Open University: Studies and Rastas: Social Work with Older People: Telephone Systems Diagrams. 6.20 pm-7.00 Open University: Risk and the Law: History of Mathematics.

Radio 2

5.00 am News.
5.03 Steve Jones.†
7.30 Terry Wogan.†
10.03 Jimmy Young.†
12.03 pm David Hamilton.†
2.03 Wimbledon 80.
7.00 John Dunn.†
8.02 Sequence Times.†
8.45 Music Night.†
9.55 Sports Desk.
10.02 The Grumbleweeds.
10.30 The Organist.
11.02 Sports Desk.
11.15 Brian Matthew.
2.02-5.00 am You and the Night and the Music.†

Radio 1

5.00 am As Radio 2.
7.00 Dave Lee Travis.
9.00 Simon Bates.
11.31 Paul Burnett.
2.00 pm Andy Peebles.
4.31 Peter Powell.
5.30 Newsbeat.
5.45 Round Table.
7.30 Anne Nightingale.
9.50 Newsbeat.
10.00 Rock Show.†
12.00-5.00 am As Radio 2.
VHF RADIOS 1 AND 2 :
5.00 am With Radio 2.
2.03 pm Ed Stewart.†
4.03 Much More Music.†
6.03 John Dunn.†
8.02 With Radio 2.
10.00 With Radio 1.
12.00-5.00 am With Radio 2.

World Service

BBC World Service can be received in Western Europe on medium wave (648 kHz, 463m) at the following times (GMT) :—
6.00 am Newsdesk. 7.00 World News. 7.09 Twenty-four Hours. 7.45 Merchant Navy. 8.00 World News. 8.09 Reflections. 8.15 Stage by Stage. 8.30 Book Programme. 9.00 World News. 9.09 British Press Review. 9.15 The World Today. 9.30 Financial News. 9.40 Look Ahead. 9.45 Music Now. 10.15 Wimbledon. 10.30 Old Tool's Almanac. 11.00 World News. 11.09 News about Britain. 11.15 In the Meantime. 11.25 Ulster Newsletter. 11.30 Anything Goes. 12.00 Radio Newsreel. 12.15 pm These Musical Islands. 12.45 Sports Roundup. 1.00 World News. 1.09 Twenty-four Hours. 1.30 Radio Theatre. 2.15 Letterbox. 2.30 Tchaikovsky and his World. 3.00 Radio Newsreel. 3.15 Outlook. 4.00 World News. 4.09 Commentary. 4.15 Theatre Call. 4.35 New Ideas. 7.45 About Britain. 8.00 World News. 8.09 Twenty-four Hours. 8.30 Alistair Cooke's ... 9.00 Network U.K. 9.15 Wimbledon. 9.30 Sarah and Company. 10.00 World News. 10.09 The World Today. 10.25 The Week in Wales. 10.30 Financial News. 10.40 Reflections. 10.45 Sports Round-up. 11.00 World News. 11.09 Commentary. 11.15 From the Weeklies. 11.30 Brain of Britain 1980. 12.00 World News. 12.09 am News about Britain. 12.15 Radio Newsreel. 12.30 About Britain. 12.45 John Peel. 1.15 Outlook. 1.45 Stage by Stage. 2.00 World News. 2.09 British Press Review. 2.15 Network U.K. 2.30 The Bostonians. 3.00 World News. 3.09 News about Britain. 3.15 The World Today. 4.45 Financial News. 4.55 Reflections. 5.00 World News. 5.09 British Press Review. 5.15 About Britain. 5.45 The World Today.

REGIONAL TV

Scottish

As London except: 9.30 am Survival Special. 10.20 Clapperboard. 10.50-12.00 Film: Shootout in a One-dog Town (Richard Crenna). 1.20 pm-1.30 News. 2.25-4.15 Film: Barbarian and the Geisha (John Wayne). 5.15-5.45 Mork and Mindy. 6.00 Scotland Today. 6.30-7.00 Emmerdale Farm. 8.00-9.00 Vegas. 10.30 Ways and Means. 11.00 Late Call. 11.05-12.30 am Film: Scarface Mob (Robert Stack).

Ulster

As London except: Starts 10.00 am Best of Weir. 10.25 Collecting with Curtis. 10.35 Cartoon. 11.05-12.00 Sesame Street. 1.20 pm-1.30 Lunchtime. 2.25 Film: Iron Maiden (Michael Craig). 4.13-4.15 News. 5.15-5.45 Mork and Mindy. 6.00 News. 6.30-7.00 Untamed World. 8.00-9.00 Vegas. 10.30 Witness. 10.35 Film: Soylent Green (Charlton Heston).

Tyne Tees

As London except: Starts 9.20 am Goodword followed by News. 9.30 Hands. 9.5 Chopper Squad. 10.40 Clapperboard. 1.05-12.00 Survival. 1.20 pm-1.30 News. Lookaround. 2.25-4.15 Film: Magic Bow*. 5.15-5.45 Happy Days. 6.00 Sportstime. 6.25 Northern Life. 8.00-9.00 Incredible Hulk. 10.30 Friday Live. 12.00 W.K.R.P. in Cincinnati.

Yorkshire

As London except: 9.30 am Animated Classics. 10.15 Cartoon. 10.20 Lost Islands. 10.45 Secret Lives of Waldo Kitty. 11.10-12.00 Chopper Squad. 1.20 pm-1.30 News. 2.25 Film: Iron Maiden (Michael Craig). 4.10-4.15 Cartoon. 5.15-5.45 Bailey's Bird. 6.00 Calendar. 6.35-7.00 Calendar Sport. 8.00-9.00 Incredible Hulk. 10.30 Brass in Concert. 11.15-12.45 am Film: Assassin (Ian Hendry).

Southern

As London except: 9.30 am Kum Kum. 9.50 Ukalig. 10.15 Tandarra. 11.10-12.00 Lucan. 1.20 pm-1.30 S News. 2.25-4.15 Film: Beach Party (Bob Cummings). 5.15-5.45 Happy Days. 6.00 Day by Day. 6.30-7.00 Tell Me Another. 8.0-9.00 Streets of San Francisco. 10.35 Opinions Unlimited. 11.05 Soap. 11.35 Vegas. 12.30 am Weather.

Grampian

As London except: Starts 9.25 am First Thing. 9.30 Technoflash. 10.00 Best of Weir. 10.25 Collecting with Curtis. 10.35 Clapperboard. 11.05-12.00 Tarzan. 1.20 pm-1.30 News. 2.25-4.15 Film: Constant Husband (Rex Harrison). 6.00 North Tonight. 6.30-7.00 Thingummyjig. 8.00-9.00 BJ and the Bear. 10.30 Points North. 11.30 Reflections. 11.35 Hawaii Five-O.

Border

As Thames except: 9.30 am Untamed World. 10.00 Best of Weir. 10.25 Collecting with Curtis. 10.40-12.00 Film: Abbott and Costello in Foreign Legion.* 1.20 pm-1.30 News. 2.25-4.15 Film: White Feather (Robert Wagner). 5.15-5.45 Fangface. 6.00 Lookaround. 6.30-7.00 Superstar Profile: Clint Eastwood. 8.00-9.00 Incredible Hulk. 10.30 One Man Show. 11.00 Film. Twins of Evil.

Granada

As London except: 9.30 am Sesame Street. 10.30 Look at Life. 10.40 Clapperboard. 11.00 Outsiders. 11.45-12.00 Handful of Songs. 1.20 pm-1.30 Granada Reports. 2.25-4.15 Film: Greengage Summer (Kenneth More). 5.15-5.45 Granada Reports. 6.00 Granada Reports. 6.30 This Is Your Right. 6.35-7.00 Crossroads. 10.30 Hot Seat. 11.00 Soap. 11.30-1.15 am Film: Oblong Box (Vincent Price).

Anglia

As London except: Starts 9.35 am Halas and Batchelor. 9.45 Spiderman. 10.10 Kirkbale. 11.00 Mackenzie Affair. 11.55-12.00 David Rand. 1.20 pm-1.30 News. 2.25-4.15 Film: Daymon's Devil Devils (Rory Calhoun). 5.15-5.45 Struck by Lightning. 6.00-7.00 About Anglia. 8.00-9.00 Incredible ... 10.30 7 Days. 11.00 Film: Sergeant Stick (Don Murray).

Westward

As London except: 9.30 am Larry the Lamb. 9.45 Clapperboard. 10.10 Sesame Street. 11.10-12.00 Chopper Squad. 1.20 pm-1.30 News. 2.25 Stars on Ice. 2.50 Film: Columbo. 4.12-4.15 Gus Honeybun's Birthdays. 6.00-7.00 Westward Diary. 8.00-9.00 Vegas. 10.32 News. 10.36 Sportstime. 10.55 Film: Other Man (Roy Thinnes).

Channel

As London except: Starts 12.30 pm. 1.00 Special Child. 1.20-1.30 News. 2.25 Stars on Ice. 2.50-4.15 Columbo. 6.00 Report at Six. 6.35-7.00 Country Comes West. 8.00-9.00 Vegas. 10.28 News. 10.30 Brown Study. 10.55-12.35 am Film: Other Man.

HTV

As London except: Starts 10.10 am Survival. 10.35 Pacific Peoples. 11.00-12.00 Sesame Street. 1.20 pm-1.30 Report West. 2.25-4.15 Film. Greengage Summer (Kenneth More). 5.15-5.45 Selwyn. 6.00 Report West. 6.30-7.00 Emmerdale Farm. 8.00-9.00 Charlie's Angels. 10.35 Press Call. 11.05-12.45 am Film: Money Jungle.

ATV

As London except: Starts 9.40 am Something Different. 9.55 Master Builders. 10.20 Kosciusko. 11.10 Entertainers: Acker Bilk. 11.35-12.00 Action Coastguard. 1.20 pm-1.30 News. 2.25-4.15 Film. Winner Take All (Shirley Jones). 5.15-5.45 Laverne and Shirley. 6.00-7.00 ATV Today. 10.30 W.K.R.P. in Cincinnati. 11.00 News. 11.05-12.40 am Film: Blob.

(continued on pages 32 and 33)

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THE WORDS of the Lord are pure words: as silver tried in a furnace of earth, purified seven times. —Psalm 12: 6

BIRTHS

AUSTIN.—On June 24th, to Michael and Natasha (nee Pohunin)—a daughter (Eleanor Catherine), a sister for Mark, William and John. Cancerians rule, OK.

EILERS.—On June 20th, 1980 in Miami, Florida, to Eileen (nee Barrett) and Munther—a daughter (Yasmin Alona), a sister for Sanal.

BOOTH.—On 19th June at Guy's Hospital to Barbara (nee Brickman) and Ian—a son (Alexander ...)

PEMBROKE.—On the 21st of June, to Jacqueline and Andrew—a son (Thomas).

ROSE.—On 25th June, 1980, at Birmingham Maternity Hospital to Sara (nee Whale), wife of Digby Rose—a daughter.

SNOWDON.—On June 25th, at Sydney, to Libby (nee Ascott) and John—a son (David).

BIRTHDAYS

BECKY BARROW. — Is 8 today. Thomas, Sasha, Emmie, Georgina, Rupert, Katie, Geraldine, Mark & Mummy send birthday kisses.

BRIAN CHADWICK. Happy birthday and many happy returns.

HAPPY BIRTHDAY 20th, fondest love, from Andy and Dianne.

MARRIAGES

JONES : CHAMBERS.—On May 17, 1980 at Our Lady of the Rosary, Brixton Road, Brixton, S.W.9. Keith William to Moira Louisa.

DEATHS

BATES.—JOHN DAWSON, M.D. (L.pool.), D.T.M. & H., F.R.C. Path.—Suddenly, aged 58, of Longtown, South Herefordshire. Husband of Helen, father of Christopher, Ursula, Felicity, Aidan. Requiem Mass Myddleton Lodge, Ilkley, Yorkshire Monday, June 30th, 11.00 a.m. Flowers if desired.

BOOTE.—On June 24th, 1980, suddenly and peacefully at her home, Morlie Mhor, Tomatin, Inverness-shire, Elizabeth Gertrude, aged 66 years, beloved wife of Michael and cherished mother of Charles, Gervase and Nicholas. Funeral at Croxton Parish Church, nr Eccleshall, Stafford on Monday, June 30th, at 12 noon, followed by private cremation. Enquiries and flowers to William Emery and Son, The Laurels, 13 County Road, Stafford.

BOSANQUET.—On June 25th in New Hampshire, U.S.A. Esther Cleveland Bosanquet, much loved wife of the late W. S. B. Bosanquet, and mother of Marion and Philippa; in her 87th year.

CLIFFORD.—On June 26th in London, most peacefully, Alice Devin, widow of the Hon. Sir Bede Clifford, G.C.M.G. and mother of Anne, Pandora and Atalanta. Funeral at Ugbrooke Park, Chudleigh, South Devon, on Monday June 30, at 11.30 a.m. Flowers to Ugbrooke.

EMMERSON.—On June 25th, at the Tata Memorial Hospital, Bombay, Norris Lindsay, acting editor of the Statesman (Calcutta and Delhi), aged 66.

FULLER, VIDA CHRISTIAN FEAR. —On 23rd June 1980, beloved wife of the late Arthur Biddulph Fuller and dearly loved mother of Margaret and Leonard. Private cremation. Memorial service 3 p.m. Tuesday, 1st July at St. Peter's Church, St. Mary Bourne.

FUSSELL.—On June 24th in a Bexhill nursing home, Ann Margaret Sisk, aged 94 years, of 49 Manor Rd, Bexhill-on-Sea. Interment at Bexhill Cemetery on Wednesday, July 2nd, at 2.30 pm. Flowers to Mummery, Bexhill.

HANSON.—On June 24th, 1980, peacefully at her home, Normanton on the Wolds, Nottingham, Sheila, widow of Tullis Hanson. Funeral service at Plumtree Church near Nottingham, at 11.30 a.m., Monday, June 30th, followed by cremation at Nottingham.

HOYLE.—On June 21st, William Fretwell of Hillingdon, Middlesex, suddenly and tranquilly while on holiday in Wales.

KASSMAN.—On 24th June, peacefully at University College Hospital, Sheila Beryl (Dr. Sheila Moss-Morris, formerly of Johannesburg), aged 58, of 31 West Heath Drive, London, N.W.11. Beloved wife of Aloe, and greatly loved mother of Hilary, John, and Richard, and sister of Arthur Louis Moss-Morris of Cape Town. After a long illness borne with courage and cheerfulness. Cremation at Golders Green Crematorium, at 12.00 noon, Friday, 27th June.

KAY-MOUAT.—On 26th June in her 86th year, Beatrice Vera, widow of C. G. Kay-Mouat, of Essex Castle, Alderney, Channel Islands. Funeral 12 noon, Saturday, 28th June in Alderney.

KENNETT.—On June 25th, two weeks before his 86th birthday, Victor Asarius, beloved husband of Audrey. No funeral because he bequeathed his body for medical research. Donations, if wished, to the Cancer Research Campaign, in memory of his son Frederick, father of Isabel, Mark, Psyche and Michael.

KENT.—On 24th June, 1980, peacefully after many years of loving care at St Joseph's Hospice, Hackney, Rosemary Kent (Mollie), widow of Kenneth M. Kent. "May angels lead you into paradise."

MOSS-MORRIS, DR SHEILA BERYL. See Kassman.

MULLINS, BROTHER MICHAEL.—On June 25th, 1980 at Guildford, much loved member of the Ratcliffe community. Funeral at Ratcliffe College at 2.30 p.m. on Tuesday, 1st of July.

OSTLER.—On June 25th, at Portsmouth, Nellie, widow of R. R. Ostler, D.S.C., M.I.Mar.E., and devoted mother of Barbara, Rodney, Richard and John. Service at Porchester Crematorium, 12.00 noon, Tuesday, 1st July 1980.

SEAGROVE.—On 25th June, 1980, suddenly at his home, William Raymond, aged 81 years, founder of Normansal School, Seaford, Sussex. Past president of CUAC and Olympic Silver Medallist 1920 and 1924. Funeral service at the Downs Crematorium, Brighton, on Monday, June 30th at 3 p.m. A memorial service will be announced later. Enquiries to Seaford Funeral Service. Tel.: Seaford 893884.

MEMORIAL SERVICES

CUNLIFFE.—The Service of Thanksgiving for the life of Joan, the Dowager Lady Cunliffe will be held at Holy Trinity, Brompton on Monday, ...

IN MEMORIAM

ACKNOWLEDGEMENTS

ANNOUNCEMENTS

PERSONAL COLUMNS

ALSO ON PAGES 30 AND 31

ANNOUNCEMENTS

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Every week of the year, Statistics in the N.S.P.C.C. Annual Report show cruelty to children to be on the increase. The Society desperately needs help from every quarter. THE SAINSBURY CHARITABLE TRUSTS have made it possible to run this advertisement. Now it's your turn. Only your donations enable the Society to contain this fearful situation.

Please send as much as you can afford to the Director, Dr. Gilmour, N.S.P.C.C., Room 11, 1 Riding House Street, London W1P 8AA.

HENLEY with the Bentley Girls.—See today's Sport & Recreation. GOLF OPEN 1980.—See the UK Holiday Section.

CLUB ANNOUNCEMENTS

YACHTS AND BOATS

SPORT AND RECREATION

SEASONAL SALES

COEXISTENCE LTD.— Sale of Italian furniture and lights, Saturday, 28th June 10 am-6 pm. 3 Conduit Buildings, Floral Street, W.C.2.

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ANNOUNCEMENTS

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ARCHAEOLOGY IN ISRAEL

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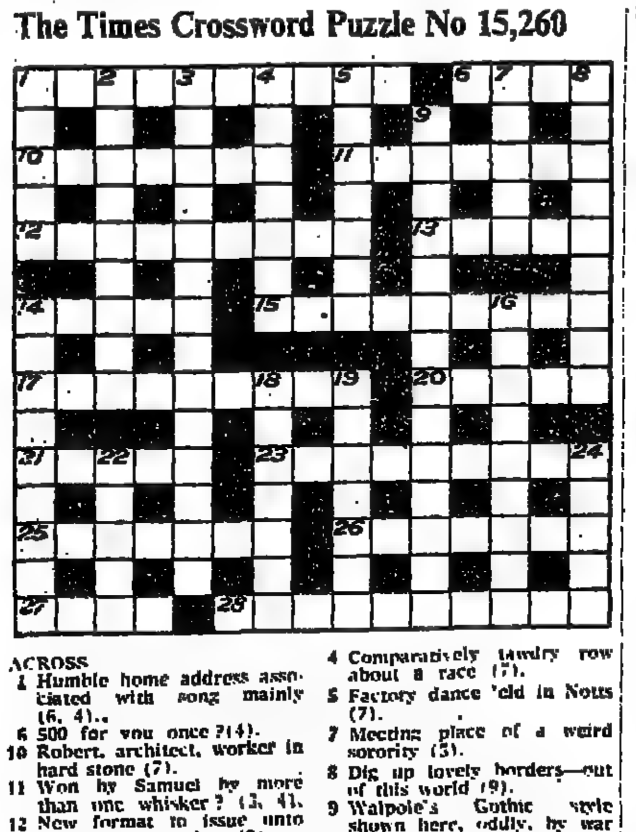
VILLA VENTURE

(continued on pages 30 and 31)

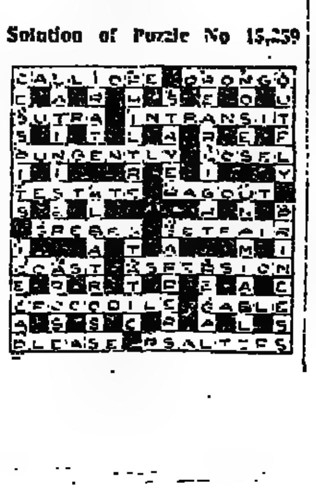
The Times Crossword Puzzle No 15,260



ACROSS
1 Humble home address associated with song mainly (6, 4).
6 500 for you once ? (4).
10 Robert, architect, worker in hard stone (7).
11 Won by Samuel by more than one whisker ? (3, 4).
12 New format to issue unto Caesar's biographer (9).
13 " Age, I do —— thee " (Shakespeare) (5).
14 Whence Roland bore good news (5).
15 Make new edition without local flavour (9).
17 Look back in a genuine case for such calculation of risk (9).
20 Some sunshine around at home ? Not this day (5).
21 OT character translated after 365 years (5).
23 Being wealthy, there's one wearing my trousers (5-4).
25 Troops stepped out in this formation (7).
26 A term at Oxford or Cambridge (7).
27 Costume Cleopatra's attendant returned (4).
28 " Queue knowledge " its garden might have called it (3, 7).

DOWN
1 Breaks for a game of cards on board (5).
2 " But falls into —— and low price " (T Night) (9).
3 Batrachian 23 and road-hog badgered to reform (4, 2, 4, 4).
4 Comparatively tawdry row about a race (7).
5 Factory dance 'eld in Notts (7).
7 Meeting place of a weird sorority (5).
8 Dig up lovely borders—out of this world (9).
9 Walpole's Gothic style shown here, oddly, by war thrillers (10, 4).
11 Dinner with the ungodly—so indecorous (9).
16 Mimicking one upset musical little boy (9).
18 I am myself three quarters of maximum size (7).
19 Bang on the forehead—so crazy ! (7).
22 Nothing right about the alternative (5)
24 In which priests piously perambulate (5).

Solution of Puzzle No 15,259



WINE AND DINE

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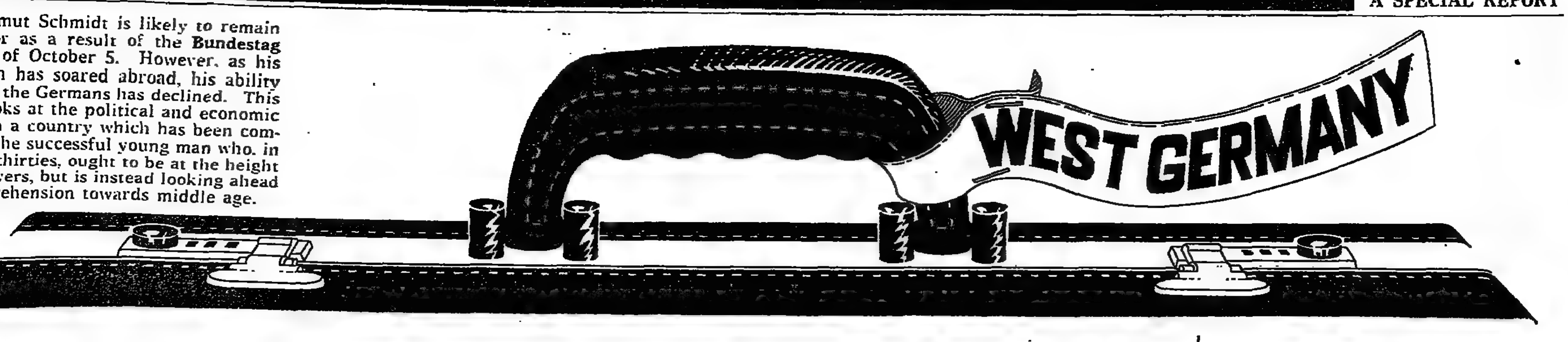
هكذا من الأصل

r Helmut Schmidt is likely to remain
ncellor as a result of the **Bundestag**
tions of October 5. However, as his
utation has soared abroad, his ability
overn the Germans has declined. *This*
ort looks at the political and economic
iate in a country which has been com-
ed to the successful young man who, in
early thirties, ought to be at the height
is powers, but is instead looking ahead
i apprehension towards middle age.



A picture of political and economic stability in an uncertain world

West Germany
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growth in the first quarter of this year, the number of unemployed had fallen to 825,000 in April, or only 3.6 per cent of the working population.

The only significant blemish is a large current account balance of payments deficit that is expected to amount to DM25,000m this year, representing a radical turnaround from the performance of previous years, when Germany was noted for its surpluses. But this deficit is still small compared with Germany's reserve position.

The past 12 months have been a period of pronounced stability in labour relations. The trade unions, mindful no doubt of the desirability of getting a coalition dominated by Social Democrats back into office, agreed to moderate wage settlements in this year's annual round of wage bargaining.

The 11 years since the Social Democrat-Free Democrat coalition Government first came to office have seen West Germany play a role of growing importance in world affairs.

The old description of the Federal Republic as "an economic giant but a political dwarf" clearly no longer applies. Herr Schmidt, when he travels to Moscow next Monday, will be the first Western leader to visit the Soviet Union since the invasion of Afghanistan.

He will be travelling to Moscow as the head of a government that is firmly committed to the North Atlantic Alliance. Germany not only constitutes the front line of Nato's defences in Western Europe but has played an important role in shoring-up Nato's southern flank by organizing a major international financial rescue operation for Turkey earlier this year and contributing material for that country's defences.

But, as Herr Schmidt's hosts in Moscow will be fully aware, there has over the past few years been an important change in West Germany's relationship with the United States.

President Carter's early insistence on a "moral" approach to international politics squared with neither the personal taste nor political perception of Herr Schmidt.

But the cooling of relations with the United States has had a positive side. It has encouraged West Germany to lift its foreign policy horizons. Whereas the Third World was once *terra incognita* in Bonn, West Germany has, especially since the invasion of Afghanistan, come to value the political importance and the economic problems and potential of the non-aligned states.

Moreover, building on its experiences in *Ostpolitik*, the Federal Government has been careful to differentiate in its treatment of the Soviet Union and the other states of the Warsaw Pact, arguing that countries like Poland and East Germany have no interest in giving up the gains made through detente because of the Soviet adventure in Afghanistan.

The more questioning attitude evidenced by West Germany in its relations with America may also at last begin to permeate its view of the European Community. For many years the Government in Bonn has been inclined to criticize the obvious wast of the Common Agricultural Policy but has done very little about it for fear of offending Paris and out of an awareness that the EEC has been one of the pillars of Germany's postwar prosperity.

But now, as the recent EEC summit in Venice showed, Germany's reemergence as the "paymaster of Europe" in the wake of the settlement of Britain's EEC budget row seems to have committed Herr Schmidt to a restructuring of the EEC's finances and agricultural policy.

The flowering of activity over foreign policy in recent years stands in marked contrast to the growing "stickiness" of the decision-making process at home.

It is too often forgotten that West Germany is a federal state. Not only is a considerable amount of power in crucial areas (such as law and order and education for example) devolved on the 11 federal states, but the fact that a majority of the states are under the control of the Christian Democrat or Christian Social parties has seriously limited the political and financial freedom of the Federal Government in Bonn.

Through their control of a majority of the federal states, the Opposition parties control the Bundesrat, or Federal Upper House, in Bonn.

The Bundesrat is a very powerful body. It has to approve those laws that touch on *Land*, or federal state, interests, and at the last count, this qualification applied to more than half the legislation passing through the Bundestag. It also has powers to hold up other legislation, although decisions here can be reversed by the Bundestag.

If Bundestag and Bundesrat cannot reach agreement on any piece of legislation, where the approval of both Houses of Parliament is mandatory, it has to be referred to a mediating committee of both Houses. Although a compromise is normally reached in the committee, it often results in the piece of legislation that passed the directly-elected Bundestag being changed out of all recognition by the time it reaches the statute book.

For the past 11 years, the Social Democrat-Free Democrat governments of first Willy Brandt and Walter Scheel and later Helmut Schmidt and Hans-Dietrich Genscher, have therefore been subject to several important restraints.

The first has been the need to achieve an agreement between the coalition partners themselves. The second, as the representation of the Opposition in the Bundesrat has grown over the years, has been the need with most legislation to reach tacit agreement with the Opposition parties. A third constraint has been imposed by the relatively weak financial position of the Federal Government.

In their wisdom the architects of the West German constitution ordained that the revenues from the two major sources of tax income—income tax and value-added tax—should be shared between the central and federal states. In recent years the financial burdens of the Federal Government have grown at a faster rate than those of the states, leading successive finance ministers in Bonn to press for a restructuring of the income from these taxes. This has given the federal states—and hence in recent years, the Opposition—financial leverage over the federal government.

The way in which the German constitution has worked over the past decade probably helps to explain the almost oppressive manner in which attitudes in German politics and the media are geared towards a general agreement.

This, of course, has its virtues and the economic success of Germany over the past 30 years is a testimony to the absence of a class warfare mentality on the factory floor.

But in the political sphere, the emphasis on agreement in parliaments both state and federal (which, incidentally, are alarmingly full of former civil servants) may have contributed to a marked dearth of new ideas.

Significantly, the issues of environmental protection and nuclear power, which have had such an impact on German life in the past five years, were not raised in Parliament or in the established political parties, but emerged as political factors through the activities of extra-parliamentary pressure groups.

Today West Germany is facing an appalling problem of growing heroin addiction among young people, but no legislator in Bonn or in the state capitals has risen to meet the challenge or even ask cogently why this should happen in such an affluent and superficially successful society.

Over the past 30 years, West Germany has pulled itself upwards to be the undisputed economic powerhouse of Europe and has, in recent years, assumed an impressive international role. It is an eminently comfortable place to live and work, where in contrast to neighbouring states both to the east and the west, bureaucracies do not impinge on the individual's freedom, where the standard of living is one of the highest in Western Europe and where the less fortunate are shielded by a comprehensive social security system from the hardships of sickness, unemployment and old age.

Yet West Germany has been compared to the successful young man who, in his early thirties, ought to be at the height of his powers, but is instead looking forward with apprehension towards middle age. Perhaps for this reason, one so often senses an air of dissatisfaction in a country that can show so much that is admirable.

Peter Norman

Flanked by Herr Herbert Wehner (left), the Social Democrats' parliamentary floor leader, and Herr Willy Brandt, the Social Democratic party leader, Herr Helmut Schmidt acknowledges applause after addressing the Social Democratic Party convention at Essen.

Not a relaxed society

One of the most positive advantages of West Germany's progress from post-war chaos to late twentieth-century affluence has been the disappearance of that pernicious form of class distinction that unhappily persists in Britain.

But it would be wrong to jump to the conclusion that the Federal Republic is a relaxed society. Away from the bosom of the family, the average West German, whether he be a bureaucrat or manager, a foreman or a clerk, tends to be a formal animal. Failure to take note of this fact can open up pitfalls for the visiting businessman.

The average Anglo-Saxon, entering a German office for the first time, should not have too much trouble coping with the preliminary hurdle, which is a firm handshake. But while there is much to be said for the handshake as an automatic "ice breaker", it would be wrong to expect informal relations to follow.

For as secretaries, subordinates and superiors flit in and out the visitor will note a marked absence of Christian names. The usual forms of address are Herr and Frau (Mr and Mrs). Herr Doktors are everywhere, just as Fräuleins are rare, unmarried women staff either being elevated or promoting themselves to the title of Frau at what is often an alarmingly early age.

Once established, the Herr or Frau so-and-so relationship tends to persist even among office colleagues.

Special care should be taken to address a Herr or Frau Doktor by his or her title. After all, because of the leisurely pace of higher education in West Germany, the individual has probably sacrificed many years of what could have been lucrative employment to gain the title.

But in this day and age, beware of addressing all persons above a certain level as Herr Doktor. It is not essential for getting to the top as the careers of Chancellor Helmut Schmidt and the Federal Bank president, Herr Karl Otto Pöhl, bear witness. And it is always difficult to think of an answer to the person who cuts you off abruptly with the sharp exclamation "kein Doktor" (no doctor).

German companies can be generous hosts and it is not unknown to be invited to what is euphemistically termed a klein Imbiss (small bite to eat) in the company dining room. The various courses will normally be accompanied by wine and here again the visitor must be on his mettle. For many German companies pride themselves on their wine cellars, some have their own vineyards and one of the largest engineering groups even has a plum brandy distillery that was bought for the company on the insistence of one of its directors, after he had been stranded on its premises one night during the Second World War.

The sampling of the company vintage is an important ritual. The host, followed at an interval of roughly one second by the guests, will sniff, taste, raise the glass, nod or wink approval and then quaff, signalling to one and all that the table can then relax somewhat and get on with the serious business of gossip and eating.

The mixture of fun and formality is, in fact, a peculiarity of German life. One has only to think of the advertisement for a German make of motorcycle, which earnestly invited executives to "take your fun seriously" by going for a spin on some 1,000 cc monster, to see how firmly the mixture is embedded in society.

And nowhere is it more apparent than at the office party. The West German white collar worker is an inveterate office party enthusiast. The usual excuse is a birthday in the department, with the result that in larger offices employing 50 people or so, work can be brought to a complete halt on average for one afternoon a week.

continued on page III

James Hutchinson takes a detailed look at the role of the trade unions in a country which is still a model of industrial peace

Workers feel no need to strike

Despite occasional fights between the trade unions and the employers, West Germany is still a model of industrial peace. Unofficial strikes, except for minor demonstrations which entail downing tools for half and hour or so, are almost unknown and official ones are rare.

There is hardly ever any reason to strike. Every employed person knows that, year by year, his income is going to be increased by a fair amount. He also knows that if the economy continues to grow his slice of the cake will become correspondingly bigger, and he is sensible enough to see that good labour relations are a major factor in promoting economic growth.

Moreover, although the constitution guarantees the right to strike (by implication at least), the law is designed to discourage the indiscriminate use of the strike weapon. Wage agreements are usually concluded for a year, and during this period the parties are obliged to keep the peace. Only after the agreement has expired and negotiations for a new one have broken down may strike action be seriously contemplated.

Strike ballots are compulsory and only if at least 75 per cent of union members are in favour may a strike be called. A decision to end a strike is put to the ballot too, but this requires the approval of only half of the members: in some cases of only a third. The breach of pay agreements is illegal, as is the action of any individual in inducing such a breach.

The law does not allow the operation of a closed shop. Indeed, it expressly states that people are free to choose whether or not to join trade unions. Picketing is permissible, but must be confined to oral or written appeals to workers entering or leaving the plant affected by a strike. The use of force or any form of intimidation is not permitted.

On the whole union leaders are satisfied with the system, but some officials complain that it is too hard on those workers, a tiny minority, who might feel compelled to take unofficial action. As things are, an employer may dismiss unofficial strikers or claim damages from them.

Occasionally, of course, West Germany does experience serious industrial disputes, and when that happens fears are usually expressed in the newspapers that the country is suffering from "English sickness".

The longest strike in the history of the federal republic lasted 44 days—in the winter of 1978-79. It involved about 100,000 workers in some of the country's main iron and steel producing plants.

The strike was in no way the success the union, IG Metall, had sought, and it put paid, at least for the time being, to serious trade union pressures for a reduction in the present basic 40-hour week. The union settled for a 4 per cent increase, more holidays and special concessions for shift workers and older workers.


The labour force knows that if the economy grows its slice of the cake will be bigger.

The level of wage increases generally last year was between 4 and 5 per cent, an example of moderation which won a tribute from Herr Helmut Schmidt, the Federal Chancellor, to the sense and cooperation shown by the trade union movement.

This year the unions have again shown themselves to be models of sweet reason. The Government indicated at the beginning of the wages round that rises of about 7 per cent could reasonably be granted. After demanding 9 per cent, the Public Services Union OTV, which is usually regarded as militant, settled for 6.3 per cent and a bit more holiday, IG Metall accepted 6.8 per cent and other unions followed suit. More congratulations from the Chancellor.

Undoubtedly, Germany's system of *Mitbestimmung* (codetermination) has contributed to industrial peace. It is a tangible expression of the concept of partnership, of the notion that capital and labour are of equal value. A law passed nearly four years ago provided for numerically equal representation of shareholders and workers on the supervisory boards of all firms employing at least 2,000 people.

German companies have a three-tier system of control—the shareholders' meeting, the board of management and, at the top, the supervisory board. This body determines the overall policy of the company, and sees that it is carried out.

Since 1951 there has been parity representation on the supervisory boards of firms in the coal and steel industries, but until the new law was passed workers' representatives comprised only one third of the total number of members of the supervisory boards of other large companies.

The unions would have preferred the system applying in the coal and steel industries to be extended without essential amendment to industry generally. But the new law is a compromise between the Social Democrats, senior partners in the Federal Government coalition, and the small Free Democratic or Liberal Party. It cannot be described as genuine, parity codetermination.

At the insistence of the Free Democrats, the workers' representatives must include a senior executive of the company, a precaution which is heartily disliked by the trade unions. There are other safeguards against worker control. The chairman and his deputy are elected by the board with a two-thir[ds] majority. If this majority [is] not reached the shar[e]holders' representativ[es] elect the chairman and th[e] workers' directors h[is] deputy. Further, if there [is] deadlock in trying to reach [a] decision, the chairman h[as a] second vote.

Even so, the law wen[t] much too far for th[e] employers. Led by the lat[e] Dr Hans-Martin Schleyer[,] chairman of the employers[']

federation who was kid[-]napped by terrorists and subsequently murdered in the autumn of 1977, they decided to take the law to the Federal Constitutional Court.

The court, in a judgmen[t] in March last year, dis[-]missed the employers' case. It decided that the law di[d] not violate the Constitution. However, the unions gav[e] only two cheers to the judg[e]ment, for the court made [it] clear that codeterminatio[n] had gone far enough.

Trade union leaders ge[t] excited about codetermi[-]nation in the supervisory board room, but it ha[s] never been an issue which has aroused much interest among rank and file union members. They care much more about codetermination on the shopfloor, exercise[d] by the works' councils. This is where the concept of partnership is really put [to] the test.

Postwar reforms set a new pattern

The structure of the West German trade union movement is simple and efficient. Of the 24 million employees in the Federal Republic, about 8,500,000 belong to trade unions and all but about 800,000 of these are members of one of the 17 unions within the Deutscher Gewerkschaftsbund, the German trade union federation, commonly known as the DGB.

There have been workers' associations in Germany since 1848, the year of the abortive German Revolution, but unions were banned at Bismarck's instigation in 1878—together with the Socialist and Social Democratic parties—and remained prohibited until after his resignation in 1890. In the Weimar Republic there were as many as 60 trade unions, almost all of them tied to political parties and factions. They were dissolved by Hitler in 1933, and replaced by the heel-clicking Labour Front.

After the war the union movement reformed itself in a completely new pattern, devized by a handful of surviving capable leaders with the encouragement and help of the Allied occupation authorities, particularly the British. In addition to the DGB unions, there is one big union—the DAG—representing 500,000 white-collared workers. There is also a small organization of Christian trade unionists, with about 250,000 members, and the country's 800,000 established public and civil servants, who by law cannot strike, have their own separate association.

When the DGB was founded in 1949 it announced that its aim was to contribute to the creation of a social democracy. The unions regard themselves as a pillar of the democratic system. They entertain no dreams of revolution, and in contrast to other Western countries where the unions are directly connected with a political party the trade union movement in West Germany is not part of the Social Democratic Party. But it is politically closer to the Social Democrats than to the Christian Democrats—without officially helping or financially supporting the SPD.

Ever since the nineteenth century the line followed by employers and government on the one hand and workers on the other has been different from that pursued in other countries. Bismarck was quick to perceive the necessity to grant social reforms rather to have them extorted from him, and his successors have followed the same policy. The big German industrialists realized that every advantage of their own power ought to bring with it some advantage for their employees, and thanks to these ideas German workers were among the first to enjoy substantial measures of social security and better working and living conditions. So they grew accustomed to being given, rather than fighting for, what they needed.

The DGB carries considerable political weight. All the Social Democratic ministers in the Federal Government are union members. Herr Helmut Schmidt, the Chancellor, belongs to the Public Services Union, OTV, and so are almost all the SPD deputies in the Bundestag. The unions are wealthy and own a great deal of property, including a bank and a social welfare housing concern and their headquarters are well staffed with economists, sociologists and other specialists.

There is no closed shop in West Germany and the degree of union membership may vary not only from industry to industry, but also from firm to firm. About 90 per cent of miners belong to their trade union, and the engineering industry also has a high proportion of union membership. Ford in Cologne has about 90 per cent, although Siemens in West Berlin, a firm which is still considered to be a family concern, has only about 30 per cent of its labour force unionized. Employers in West Germany have only one union to deal with. Employees are grouped together according to where they work and not according to their occupation. Thus a mechanic who works in a paper factory does not belong to the engineering union but to the union representing workers in the paper-making industry. This system greatly simplifies wage negotiations, and makes it easier to find a compromise.

Two main organizations represent the employers' interests—the Federation of Employers' Associations (BDA) and the big Federation of German Industry (BDI), both based in Cologne. Like the unions, they have substantial branches in the *Länder* or states and employ an impressive array of specialists. Free collective bargaining is a sacred cow in West Germany, and though successive governments drop hints as to what size of wage increases the economy could afford, no government has dared to come up with an incomes policy.

The "concerted action" economic planning meetings between government, banks, economic institutes, employers and trade unions, which became a feature of the successful annual industrial relations negotiations, we[re] entitled by the withdrawal [of] the trade unions in 19[77]. They were protesting agai[nst] the employers' action [in] taking a case against the [new] codetermination law to [the] Constitutional Court. [But] they have since been [re]sumed on a smaller scale.

Is there a reasona[ble] balance of power betw[een] employers and unions [to] guarantee a fair fight? [The] unions say there is [not]. They contend that the l[ock-]out weapon puts [the] employer at a big adv[an]tage, and for many y[ears] they have been trying to [have] it declared illegal by [the] courts. The Constitu[tion] does not expressly men[tion] lock-outs or strikes. So[me]what vaguely it states [that] "the right to form asso[cia]tions to safeguard and [im]prove working condit[ions] shall be guaranteed [to] everyone and to all pr[ofes]sions". Both sides of [in]dustry have always re[cog]nized this article as the [con]stitutional definition of [the] right to strike. But [the] unions argue that it i[s in]admissible to read into t[hese] words the right to lock [out] workers.

In two decisions—in [...] and 1971—the Fe[deral] Labour Court ruled th[at in] a dispute both sides sh[ould] be equipped with "m[eans] of applying pressure" to ensure a fair fight. [The] latest long-awaited rulin[g of] the Federal Labour Co[urt] on June 10—did not de[clare] the lock-out to be illegal [but] it laid down safeg[uards] against its indiscrim[inate] use. For instance, if a [union] calls out 25 per cent [of its] members in a certain [area] on strike, the empl[oyer] may only lock-out a si[milar] number of workers.

مكذا من الاصل

Barry Dale describes the complex tax system and the high cost to the employer of social security

State gathers up money lost in the jungle

West German businessmen running small to medium-sized concerns complain, like their counterparts throughout the world, about the burden of tax they bear. However, few would go as far as to say their existence is threatened by their fiscal burden.

A far more frequent complaint concerns the complexity of the country's tax laws, which mean that even a self-employed person in a one-man operation needs to retain an accountant. Moreover, the labyrinth of tax laws, small businessmen feel, often hides anomalies which discriminate against them more than they do against large joint-stock companies.

By far the largest commitment is *Einkommensteuer*, which translates quite literally as income tax, but which includes *Lohnsteuer* (wages tax), and *Körperschaftsteuer* (corporation tax). A sweeping reform of this wide-ranging income tax was made in 1975, but it was not necessarily to the benefit of small to medium-sized businesses. In fact the Institut für Mittelstandsforschung, based in Bonn, which represents the interests of small businessmen, feels it hit the middle range companies harder than the big earners.

One aim of the reform was to iron out anomalies of tax progression after years in which no allowance had been made for inflation. Price rises in Germany in recent years have been rather modest, but not negligible.

The Institut für Wirtschaftsforschung (Economic Research Institute) in Munich points out that no adjustment was made to basic tax-free allowances and tax progressions between 1965 and 1974, so that a businessman whose earnings rose at no more than the annual rate of inflation still found himself pushed into a higher tax bracket.

The institute suggests that indexation of income tax to the official rate of inflation would have certain advantages not just in relieving businessmen of creeping increases in their tax burden but also in discouraging the state from automatically increasing expenditure in the knowledge that its revenues would rise without a formal increase in percentage taxation.

Another hefty tax thump comes from *Gewerbesteuer* or trade tax, which is levied by local authorities and includes *Gewerbeertragsteuer* (trade earnings tax, geared to annual profit), *Gewerbekapitalsteuer* (trading capital tax, levied on capital employed) and until January, 1980, *Lohnsummensteuer* (payroll tax).

The payroll tax has been abolished, and the local authorities that levied it have had a free hand to decide whether to compensate themselves in part or in full by increasing other aspects of trade tax.

Herr Rolf Sammet, chairman of the management board of Höchst Ag., the chemical company, recently told shareholders that he welcomed the abolition of *Lohnsummensteuer*, as it has not been completely replaced by other taxes in many areas where Höchst has offices and factories. In particular, he congratulated Frankfurt, which he said had, as a result of the abolition, given up its position of many years as a high trade tax area.

Der Steuerzahler (*The Taxpayer*), a periodical representing mainly smaller businesses with less influence than West Germany's big industrial complexes, is campaigning for the abolition of *Gewerbesteuer*, but says that the powers-that-be in German local government are hoping to develop this along the lines of the French *taxe professionelle*. The periodical points out that trade tax is an adjunct to, and amounts on average to 40 per cent of, *Einkommensteuer*. Its trading capital component moreover, is an additional property tax. Worst of all *Der Steuerzahler* says, this tax takes no account of a company's strength and must be paid whatever the level of profits, and, indeed, even if a loss is made.

For the self-employed businessman, working alone or with a small staff, there is the additional problem of providing for ill-health and for a retirement pension, and *Der Steuerzahler* emphasizes that even contributions to state health and pension schemes cannot be offset against tax, since the state regards them as "application of income". This is a false premise, it says, since the income is applied only when the businessman is sick or retires.

Of course, the German state does allow deductions for justified expenses from the overall tax burden, but for the small enterprise, where a hard-pressed self-employed man may not have the time or knowledge to study all the rules, it is difficult to take full advantage of these concessions.

The problems of value-added tax, where the businessman has to act both as collector and payer, are much the same as in Britain, and serve to make life all the more complicated.

For Germans, too, the jungle of tax paragraphs is dense and almost impenetrable. The Association of Hesse Taxpayers in Wiesbaden, which provides a tax advisory system to subscribers, said that even an expert in fiscal matters has difficulty hacking his way through this jungle, and it is the state that benefits to the extent of between 2,000m and 4,000m marks a year in revenue that need never have been paid.

It is not advisable to pray for relief: the archaic and much-criticized *Kirchensteuer* (church tax) is still levied by the Roman Catholic and Lutheran Churches, and amounts to about 9 per cent of income.

Poverty ousted–at a price

West Germany's postwar prosperity has been built up on the social market economy (Soziale Marktwirtschaft), with the market providing the dynamism for rapid growth, and generous social security provisions assisting those who cannot keep up with the rat race.

Although the burden of taxes and social security payments may not be as hefty as in Scandinavian countries, and the protection afforded from the cradle to the grave may not be so cosseting, a real hardship has been almost eliminated in the German Federal Republic—at a price.

Businesses building up their operations and wishing to take on new staff not only have to consider the salary they must offer to lure the right people, but also the additional weight of employer contributions to state-regulated schemes, and other little perks which are left to the boss's discretion, but which German workers come to expect.

A spokesman for a Frankfurt firm employing just over 100 said: "When we started with about one dozen staff, we used to dip into petty cash to buy ourselves coffee for the morning and afternoon break. You cannot just drop a privilege like that, and now providing coffee for half-a-dozen different departments costs us several thousand marks a year."

He added: "Inevitably we also had to install a canteen as the firm grew, and although this is supposed to be self-supporting, in practice it requires a subsidy."

In a small firm, little extras which add up to large overheads are expected more than in large concerns, where the hours tend to be more regular and the size of the company alone provides workers with a feeling of security.

The Frankfurt firm, like others of its size, is obliged by law to have a works council consisting of five members of staff (*Betriebsrat*), and the law also states that they must be provided with a suitable conference room and be allowed to meet within working hours.

Other bonuses on top of pay, offered voluntarily by most West German firms, include an annual works outing and a Christmas party, and in some companies a farewell party for departing colleagues may be arranged and the bill sent to the accounts department.

"Such expenses are tax deductible up to a point", the spokesman for the Frankfurt firm said. "The point being 50 marks per staff member a year. It is difficult to estimate the cost of such extras, but it is probably on average nearer 500 marks."

A far heavier burden to be borne by all companies large and small in West Germany is the employer's contribution to state welfare schemes.

Employers are obliged to pay 50 per cent of contributions to the national health insurance scheme (*Krankenkasse*), old age pension (*Rentenversicherung*), and unemployment fund (*Arbeitslosenunterstützung*).

A spokesman for a publishing house in Hamburg with a staff of 100 said these three schemes alone cost a total of about 700 marks (£170) a month, of which the employer has to meet 350 marks. With an average salary in the firm of about 3,500 marks (£850) that means an extra 10 per cent on top of the wage bill.

Another benefit for staff in his firm, as for many others in Germany, is the voluntary payment of the thirteenth monthly salary every year in the form of a Christmas bonus and a holiday bonus on top of the normal five weeks' paid holiday.

The holiday bonus is generally about half a month's pay, which means average monthly pay is in effect nearer 4,000 marks (£975) a month.

"When recruiting new staff, I find the first question they usually ask is about these bonuses, especially Christmas and holiday pay", he said.

Sickness and pregnancy among staff are two more imponderables that can swell the overall wage bill, since German law requires firms to continue paying full salary (*Lohnfortzahlung*) to staff members who fall sick for six weeks, after which time the National Health Service takes over.

"An expectant mother is allowed six weeks off before the birth is due and must be paid for a further six weeks after the birth, whether she intends to return to the company or not", the spokesman said. A father-to-be is also given three days off with full pay.

If members of a firm belong to a professional association of a voluntary kind, the employer is expected to make a contribution towards subscriptions. Staff at the Hamburg Publishing House can join the "*Versorgungswerk der Presse*", which protects them financially in the case of redundancy. The spokesman sai dthat this adds a further 75 to 100 marks to the monthly wage bill.

German industry, large and small, has been able to cope with the high cost of tax and social security payments largely because it has been on a strongly expansive course for 30 years.

But the onset of a recession could quickly make many smaller firms go to the wall, since shedding staff is far more difficult in West Germany than recruiting new blood.

The chief accountant of a Frankfurt firm pointed out that it is extremely difficult to lay off workers unless they are guilty of a dire breach of regulations. Every case must be presented to the works council, and with the emergence of codetermination laws in the past 10 years under the Social Democratic Government, job safety is likely to increase.

The accountant said: "Repeated lateness, slacking and inefficient working are rarely grounds in themselves for firing a worker. Only if he is caught dipping his hand into the till do we have a clear case for sacking him."

Not a relaxed society

continued from page I

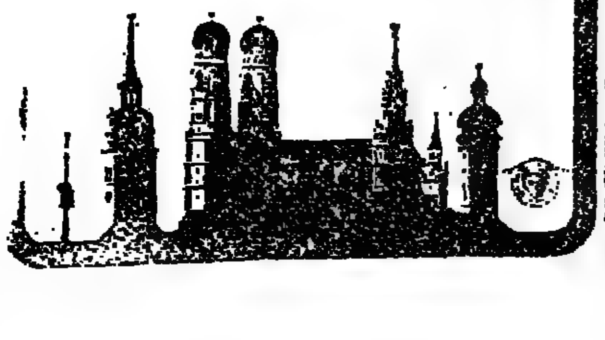
Flowers, chocolates, and Sekt (champagne), and little speeches, all emphatic in their use of the Herr and Frau so-and-so forms, are after all a pleasant enough way of whiling away the time, and in those parts of the country that celebrates carnival or *Fasching*, keep the party mood ticking over in preparation for the big annual feast.

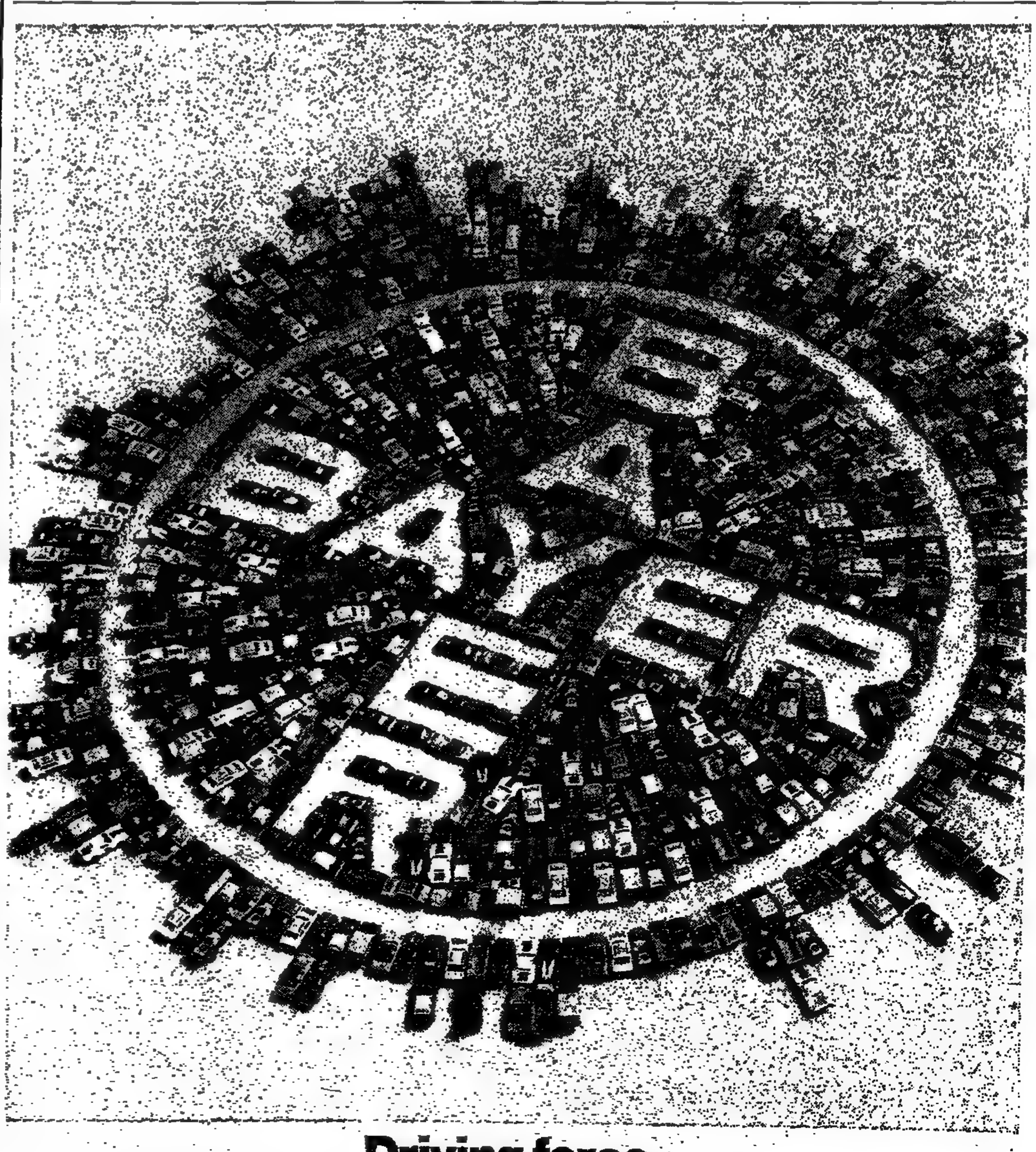
If there is any class distinction in Germany, it is between those who celebrate carnival and those who do not. In those areas of the country like the Rhineland or Bavaria, where carnival is taken seriously, there is no way in which it can be kept out of the office.

Normally sober-suited gentlemen will appear in extraordinary wigs one day and with hangovers the next. In the Rhineland on the Thursday before Ash Wednesday usually modest secretaries are transformed into screaming banshees, who storm through offices, attacking all males on sight, irrespective of status, and cutting off their ties.

And when it is all over? Well it is back to Herr and Frau so-and-so and Doktor this-and-that for another year.

Peter Norman





FACTS AND FIGURES

For the traveller

How to get there

Direct air services link London with many of the principal German cities, including West Berlin. British Airways, Lufthansa, and other international airlines offer flights to Bremen, Cologne/Bonn, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich and Stuttgart. Some other cities are also accessible by British Airways, and by Aer Lingus and British Midland Airways from Birmingham, Manchester and Glasgow.

Daily continental rail services operate from London's Victoria Station (via Dover and Ostend) and Liverpool Street Station (via Harwich and the Hook of Holland). All rail travellers to Berlin require East German visas (see "Travel documents"). Several car ferries are available to those travelling by road.

Travel documents

No visa is required by holders of British passports containing the words "Entry certificate exempt" or "Holder has the right of abode in the United Kingdom". Holders of all other British passports are subject to immigration control. Those who intend to work in Germany or establish a business there, and who hold a United Kingdom passport issued before 1973, should ask their area passport office for a special endorsement indicating that they have right of abode in the United Kingdom and are therefore United Kingdom nationals for European Economic Community purposes.

Travellers using surface transport to reach West Berlin from West Germany require transit visas for the German Democratic Republic; these are available from the appropriate authorities at approved crossing points, or from the GDR embassy in London.

All would-be travellers are advised to contact the Federal Republic and the GDR representatives in Britain before departure, since regulations can change at short notice.

Local travel

Air services link most of the main cities, and those flying between West Germany and West Berlin do not need visas.

The country has an excellent railway system, with sleepers, restaurant cars and, on some expresses, secretarial facilities. Local trains, stopping at all stations, are called *Personenzüge* (passenger trains); *E Zug* stops less frequently, and *D Zug* is fast with first and second-class accommodation; *IC Zug* is the symbol for inter-city trains, usually with only first-class accommodation, and *TEE Zug* identifies trans-Europe expresses, offering only first-class accommodation. Trains stop only briefly at intermediate stations.

Road traffic travels on the right, with a speed limit of 50 kph (about 31 mph) in built-up areas, 100 kph (62 mph) outside towns, and a recommended limit of 130 kph (about 80 mph) on the autobahn network. The autobahn provides fast access to most of the cities, which are generally linked by regular coach services. Hire cars and taxis are readily available.

The main road from the Federal Republic to West Berlin is via the Helmstedt-Berlin autobahn. The distance is just over 100 miles and the route is well signposted. Over the final quarter, drivers should follow the "Transit West Berlin" or "West Berlin" signs; those marked "Berlin Haupstadt der DDR" (Berlin, capital of the German Democratic Republic) indicate a longer route going directly to East Berlin.

At the beginning of the return journey drivers should follow the Magdeburg, Leipzig sign, turning right after 10 miles in the direction of Magdeburg rather than going straight along the Leipzig autobahn. The road crosses the Elbe and passes to the right of Magdeburg. Drivers should follow the signs to Marienborn, where the East German frontier control point is situated.

It is possible to drive between West Berlin and Hamburg, but cars must keep the *Fernstrasse* (main arterial road) 5. The route to Berlin from the south is from the border crossing at Hirschberg by autobahn via Hof. Visas are required (see "Travel documents"), and it should be remembered that traffic regulations are rigorously enforced by the German Democratic Republic police.

Entry from West to East Berlin for foreigners is by road at the Friedrichstrasse crossing point (Checkpoint Charlie) or by underground and overhead electric systems at Friedrichstrasse railway station. Passports are examined at both points, and customs and currency declarations have to be completed: no GDR currency may be taken in. Those wishing to stay overnight, or to leave East Berlin for the GDR, need a visa. Some West Berlin taxis are permitted to take visitors into East Berlin.

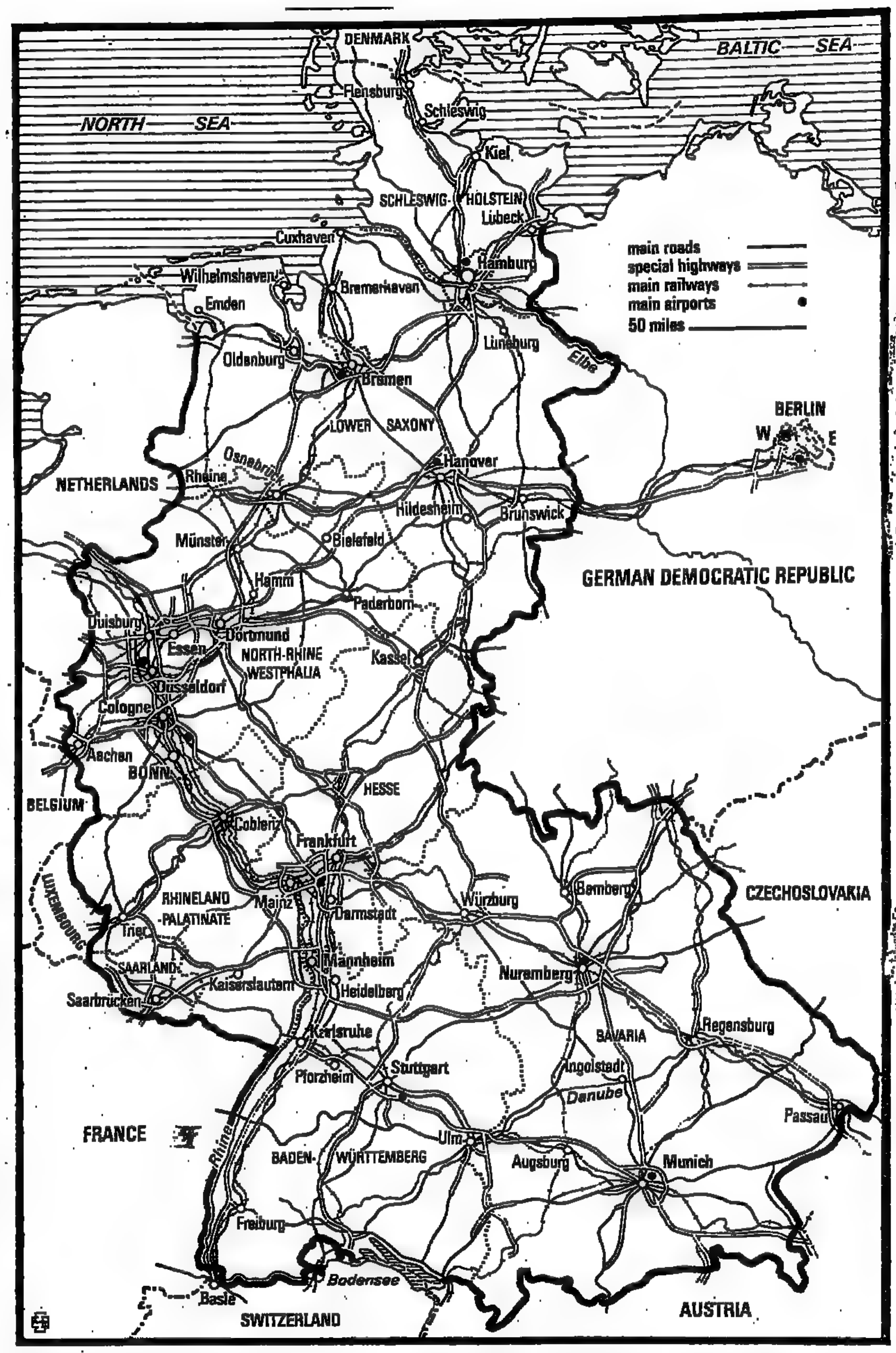
Currency

The West German Deutsche mark (Dm) is divided into 100 pfennigs. Coins circulate in 1, 2, 5, 10 and 50 pfennigs, and Dm 1, 2 and 5 denominations. Notes are in Dm 5, 10, 20, 50, 100, 500 and 1,000 denominations. The £ is worth Dm 4.07.

Time differential

Greenwich Mean Time plus one hour throughout the year.

General



History

When the First World War started in 1914 the country was ruled by the King of Prussia, who was also the German Emperor. When the war ended in 1918, the country found itself divested of most of the acquisitions it had made since 1871, including all of its colonies, and it became a republic.

The rise to power of Adolf Hitler was followed by the Second World War. The date of the Führer's death by suicide is put at April 30 1945, and eight days later the unconditional surrender of all German forces was accepted by representatives of the Western Allied and Soviet supreme commanders.

The country was broken into four occupational zones, in each of which the commander-in-chief exercised power. These men acted jointly through an Allied Control Council in matters affecting Germany as a whole. The four powers governed Berlin according to policies dictated by the Potsdam Agreement of August 1945.

By March 1948, it was apparent that agreement between the Soviet Union and Britain, France and the United States could not be reached; the Western powers, together with the Benelux countries, decided to end the direct military rule over Germany. In September of the same year a Parliamentary Council was convened in Bonn under the presidency of Konrad Adenauer, and in May 1949 the Basic Law came into force. Supreme authority remained with the three Western occupation powers until May 1955, when full sovereignty was restored to the Federal Republic and it became a member of the North Atlantic Treaty Organization.

Berlin was, and remains, an island in the German Democratic Republic. Between June 1948 and May 1949, the needs of West Berliners were met by the Allied airlift; this followed the closing by the Soviet Union of land and waterway links with West Germany.

The Berlin Wall between the east and west sectors was erected in August 1961. The Four Power Agreement on Berlin, which became effective in June 1972, eased but did not solve the city's difficulties. West Berlin today consists of the British, French and American sectors and is governed by a locally-elected senate under the overall authority of the three Western Allies. It is simultaneously a *Land* of the federal republic, though not yet formally incorporated, and a city.

Country

One of West Germany's most attractive features is its varied countryside. The land falls broadly into three main topographical regions. The North German plain extends southward from the Baltic and North Seas and is of uniform character until it reaches the Essen, Dortmund and Hanover areas.

Along this line the central uplands begin. These consist of high plains, rolling hills, volcanic formations, troughs and basins. Well-made roads find their way through mountain gaps, across depressions and along river courses. The Black Forest is at the southern edge of this area and extends eastwards into the Swabian-Franconian terrace country.

South again, on a line marked roughly by the country's second longest river, the Danube, are the foothills of the Alps. On the German side of the border, these consist of the Allgäu, Bavarian and Berchtesgaden Alps. This barrier is the only natural one between West Germany and its neighbours —The Netherlands, Belgium, France and Luxembourg to the west, the German Democratic Republic and Czechoslovakia to the east, Denmark to the north, and Switzerland and Austria to the south.

The largest of the country's rivers is the Rhine, which extends for nearly 500 miles on a rough south-north line through the western part of the country.

The Länder

The Länder, or federal states, are as follow (Berlin has special status):

Land	Capital
Baden-Württemberg	Stuttgart
Bavaria (Bayern)	Munich (München)
Berlin (West)	(city-state)
Bremen	(city-state)
Hamburg	(city-state)
Hesse (Hessen)	Wiesbaden
Lower Saxony (Niedersachsen)	Hanover (Hannover)
North Rhine-Westphalia (Nordrhein-Westfalen)	Düsseldorf
Rhineland-Palatinate (Rheinland-Pfalz)	Mainz
Saarland	Saarbrücken
Schleswig-Holstein	Kiel

Main cities

Although Bonn, on the Rhine, is the capital of West Germany, its population (284,000 in December, 1977) is considerably smaller than that of other cities. Cologne (Köln), about 15 miles to the north, has a population of about one million, and Frankfurt, to the south-east, has about 600,000. Frankfurt, with its surrounding area, is regarded as the country's banking and financial city, but also serves as a centre for many important industries.

Nearly 60 cities or towns have populations of more than 100,000. The largest in terms of inhabitants are West Berlin (1,950,000), Hamburg (1,700,000), and Munich (1,300,000), followed by Cologne. Essen has more than 670,000, while Dortmund, Düsseldorf, Bremen, Stuttgart and Duisburg each has about 600,000. Both Hanover and Nuremburg (Nürnberg) have populations of about 500,000.

Population

In December 1977, West Germany's population was estimated at about 61,500,000; this figure includes 1,950,000 West Berliners. Population density was put at about 635 people a square mile.

About 90 per cent of West Germans belong to Christian churches. Catholics and Evangelical Protestants are about evenly divided, with the former strongest in the south and the latter in the north. Two per cent are Muslims, 0.2 per cent Jews, and 2 per cent others.

Hours of business

In general, German factories and offices are open from 8 am until 5.30 pm from Monday to Friday. In some parts of the country these times vary by 30 minutes to one hour at either end of the day. Some companies close early on Friday.

Shops and post offices open between 8 am and 9 am and close at 6.30 pm; lunch is taken between 1 pm and 3 pm at smaller establishments. Except for the first Saturday in each month, when they stay open until 6 pm, all shops close at 2 pm on Saturdays: this is a legal requirement.

Government offices are manned Monday to Friday from 8 am until 5 pm; in the Bonn area they close between 3 pm and 4 pm on Fridays. Banking hours vary, with opening times at 8.30 am or 9 am and closing times ranging from noon to 3.30 pm; most banks, however, are open until 6 pm on Thursdays.

Public holidays

1980

Assumption*	August 15
All Saints' Day** (but not Hesse)	November 1
Day of Repentance and Prayers	November 19
Christmas Day	December 25
Second Day of Christmas	December 26

1981

New Year's Day	January 1
Epiphany†	January 6
Rosenmontag††	March 2
Good Friday	April 17
Easter Monday	April 20
May Day	May 1
Ascension Day	May 28
Whit Monday	June 8
Wäldschestag†	June 9
Corpus Christi**	June 18
Day of German Unity	June 17

**Only in Bavaria and Saarland.*
***Only in predominantly Catholic areas.*
†Only Baden-Württemberg and Bavaria.
††Only North Rhine-Westphalia. This is not an official holiday but most offices close.
†Only Frankfurt.

Embassies

Embassy of the Federal Republic of Germany, 21-23 Belgrave Square, London, SW1X 8PZ. Telephone 01-235 5033.
Ambassador: Dr Jürgen Ruhfus
Minister: Dr Alfons Böcker
Minister-Counsellor: Dr Hermann Hillger
First Counsellor (head of Economic Department): Dr Christian Kudlich
British Embassy, Friedric[h] Ebert-Allee 77, 5300, Bo[nn] 1. Telephone 23-40-6[1] telex 886887 a/b BRINF.
Ambassador: Sir (Joh[n]) Oliver Wright
Minister: David Goodall
Minister (Economic): Hu[gh] Overton
Counsellors: Alistair Hunt[er] (head of Chancery), Donald Ballantyne (Commercial), John Bo[y] (Economic)

COMPILED BY DENNIS TOPPING AND DENNIS DWYER

Industry and politics

Head of state

Vest Germany's President Bundespräsident) is Pro- essor Dr Karl Carstens, who as born in Bremen on ecember 14 1914. His func- ons are largely ceremonial. hey include the signing and romulgation of federal laws, e reception and accredita- on of ambassadors, and the gning of treaties.

Government

'est Germany's Basic Law, Grundgesetz, came into rce in the three western zones in May 1949: it provides for a federal president (Bundespräsident), a federal council (Bundesrat) and a federal diet (Bundestag).

The Bundestag, or lower house of representatives, consists of 496 deputies and 22 members from West Berlin with limited voting powers. The representatives are generally elected for four-year terms by a complicated system known as "personalized proportional representation", providing a combination of first-past-the-post constituency representatives and national representatives from party lists.

The Bundesrat, or upper house, has 41 members (plus four for Berlin) who are delegates of the *Länder* governments. There are 10 *Länder*, or federal states, each with its own government, and Berlin, which has a special status. According to the size of its population, each has three to five votes in the Bundesrat, but these can be cast only as a block.

The federal President, or head of state, is elected by the federal Convention (Bundesversammlung), which consists of the Bundestag deputies and an equal number of members elected by the assemblies of the *Länder*; it meets only for this purpose. The President, elected for five years and permitted two consecutive terms, proposes a federal Chancellor for election by the Bundestag.

The Chancellor, in turn, proposes federal ministers, whose appointment or dismissal is the responsibility of the President. The Chancellor and the ministers form the federal government.

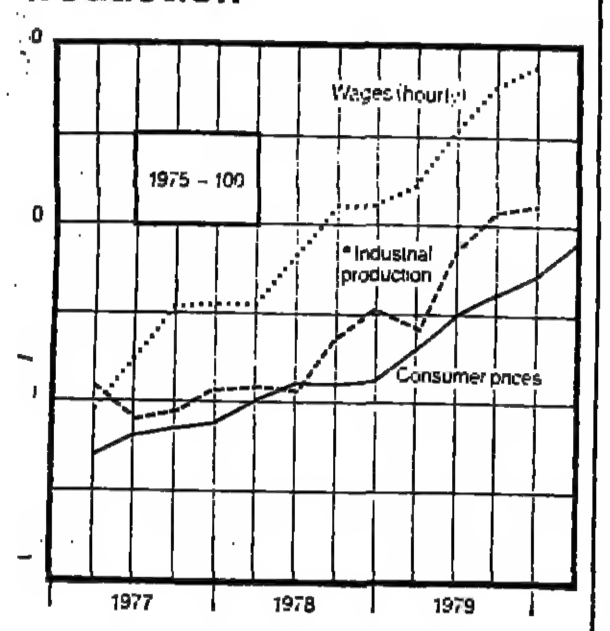
Bills can be introduced by a Bundestag deputy, by the Bundesrat, or—as is usually the case—by the federal government.

he Cabinet

ancellor: Helmut Schmidt
nister for Foreign Affairs d Deputy Chancellor: Hans-Dietrich Genscher
nisters
fence: Dr Hans Apel
onomic Cooperation: Rainer Offergeld
onomics: Dr Otto Graf Lambsdorff
ucation and Science: Dr Jürgen Schmude
ance: Hans Matthöfer
od, Agriculture and Forestry: Josef Ertl
erior: Gerhart Rudolf Baum
ra-German Relations: Egon Franke
tice: Dr Hans-Jochen Vogel
Labour and Social Affairs: Herbert Ehrenberg
Regional Planning, Building and Urban Development: Dr Dieter Haack
Research and Technology: Dr Volker Hauff
Transport, Posts and Telecommunications: Kurt Gscheidle
Youth, Family Affairs and Health: Antje Huber

In the eighth German Bundestag the SPD (Social Democratic Party) FDP (Free Democratic Party) coalition has 253 seats and the CDU (Christian Democratic Union)/CSU (Christian Social Union) 243 seats. The last election was on October 3 1976.

Prices, wages and production



rce IMF
asonal adjusted

onal income and gross domestic product (Dm 1,000m)

nal income—market prices	1,197	1,287	1,394
rising:			
rkers' wages and salaries	670	712	763
perty and entrepreneurial ncome	263	291	318
irect taxes	130	140	154
preciation	134	144	159
domestic product—market prices	1,197	1,283	1,391
rising:			
iculture and fishing	34	34	34
ducing sector, comprising:	577	621	672
Manufacturing industries	(452)	(484)	—
lectricity, gas, water & mining	(46)	(49)	—
Construction	(79)	(88)	—
butive trades and transport	186	197	216
es	257	278	303
	143	153	166

e: Federal Statistical Office

nce of payments ($1,000m)

	1977	1978	1979
nt account			
orts (fob)	114,280	138,530	167,580
orts (fob)	94,530	112,870	150,540
de balance	19,750	25,760	17,040
ice and transfer ayments	−15,350	−16,680	−21,930
e on current account	4,400	9,080	−4,890
l account			
g-term	−5,520	−1,220	5,970
t-term	5,190	4,550	150
e on capital account	−330	3,330	6,120
and omissions	460	−1,960	−3,520
rplus or deficit	4,530	10,450	−2,290

: IMF

SR/Trade with Britain table 1
Trade with Britain (£m)

	1977	1978	1979	1980 Jan-Mar
British exports to West Germany				
Machinery and transport equipment	896	1,099	1,347	364
including:				
Road vehicles	—	(261)	(285)	(44)
Office and data processing	—	(174)	(238)	(56)
Other transport equipment	—	(112)	(176)	(55)
Electrical	—	(130)	(148)	(45)
General industrial	—	(119)	(148)	(44)
Power generating machinery	—	(118)	(140)	(39)
Petroleum and related products	243	336	814	338
Manufactured goods	498	522	660	179
including:				
Non-ferrous metals	(120)	(96)	(148)	(46)
Textile yarns and fabrics	(105)	(110)	(127)	(39)
Chemicals	215	267	388	109
Food and live animals	146	195	200	57
All other goods	503	686	835	242
Total	2,501	3,105	4,244	1,289

Federal tax revenue (Dm 1,000m)

	1979 receipts	1980 estimate
Income tax		
Blue-collar workers and employees	97	108
White-collar workers and self-employed	38	39
Turnover tax	84	93
Corporation tax	23	24
Petrol duty	21	21
Tobacco duty	11	11

External economy

For the first time in 14 years the visible trade surplus last year failed to cover the deficit on invisible trade. The current account showed a Dm 9,000m loss compared with a Dm 17,500m surplus in 1978. The deficit this year is expected to rise to about Dm 20,000m.

The balance-of-payments turnaround resulted mainly from a strong growth of imports and an 11 per cent increase in spending abroad by German tourists.

German exports last year rose by 10.5 per cent in value and 7.2 per cent in volume terms, with much above average performances for sales of road vehicles and chemicals. Shipments to West European countries increased sharply, particularly to Italy and Britain. In contrast, sales to the United States went up by no more than 3 per cent.

Imports cost 18 per cent more than a year earlier, rising 9 per cent in volume. The oil bill rose by a half to total Dm 48,000m, almost entirely because of rising prices. Raw materials for capital goods were almost 20 per cent dearer.

The trade deficit presents no serious short-term financial problem. Germany's total currencies and gold reserves stood at Dm 94,800m at the end of February, the highest of any country and some 14 per cent of the world's total.

Direct investments made abroad amounted to Dm 7,800m in 1979, a 13.4 per cent increase on the previous year. The largest recipient of this investment was the United States with Dm 3,700m, followed by France, Dm 772m, The Netherlands, Dm 551m, and Brazil Dm 533m.

Foreign investment in West Germany rose by 3.6 per cent to Dm 1,900m. Of this, Britain injected Dm 363m, followed by The Netherlands with Dm 358m, and Switzerland with Dm 257m. American investment amounted to Dm 216m.

Overseas trade ($1,000m)

Country	1977	1978	1979
Sources of Germany's imports			
Netherlands	13,282	15,324	19,573
France	11,774	14,113	18,119
Italy	8,941	11,587	14,092
Belgium/Luxembourg	8,406	10,214	12,751
United States	7,313	8,694	10,968
Britain	4,502	6,000	9,363
Switzerland	3,157	4,364	5,383
Austria	2,629	3,553	4,589
Japan	2,802	3,593	4,326
Soviet Union	1,853	2,489	3,893
Rest of the world	36,041	40,736	54,690
Total	100,700	120,667	157,747
Markets for Germany's exports			
France	14,497	17,435	21,832
Netherlands	11,867	14,171	17,082
Belgium/Luxembourg	9,262	11,833	14,600
Italy	8,044	9,684	13,366
Britain	6,296	8,428	11,462
United States	7,867	10,086	11,330
Austria	6,283	7,307	8,990
Switzerland	5,402	7,072	8,855
Soviet Union	2,789	3,140	3,619
Sweden	3,774	3,841	4,980
Rest of the world	41,851	49,093	55,402
Total	117,932	142,090	171,518

Source: OECD Statistics of Foreign Trade

SR/Trade with Britain table 2
West German exports to Britain (£m)

	1977	1978	1979	1980 Jan-Mar
Machinery and transport equip.	1,816	2,334	3,154	728
including:				
Road vehicles	—	(923)	(1,368)	(307)
Specialized machinery	—	(312)	(291)	(107)
General industrial machinery	—	(295)	(329)	(91)
Electrical machinery	—	(212)	(257)	(69)
Office and data processing	—	(204)	(243)	(55)
Power generating machinery	—	(204)	(230)	(66)
Manufactured goods	678	800	977	346
including:				
Iron and steel	(203)	(194)	(233)	(65)
Textile yarn and fabrics	(119)	(166)	(182)	(44)
Non-ferrous metals	(91)	(114)	(160)	(130)
Chemicals	415	504	647	176
Food and live animals	173	190	214	46
Professional/scientific instruments	—	91	114	34
Photographic apparatus	—	95	113	23
Beverages	51	41	57	13
All other goods	461	408	523	160
Total	3,574	4,513	5,799	1,591

Source: Department of Trade

Domestic economy

Financial policy over the past two years has aimed at stimulating the economy. Tax cuts were made alongside increased public sector investment and subsidies. Gross national product rose by 4.5 per cent in real terms last year, the forecast rise for 1980 is 2.5 per cent. The latest figures suggest that the upswing in manufacturing orders and production apparent last year, which continued into the first quarter of this year, has begun to slow down.

A gloomy picture of weakening domestic demand is being given by industrialists for the coming half year, but this is against current order books which must be among the biggest in the European Community. New orders placed in April were 4.5 per cent less than in March—the largest monthly fall for almost five years.

The cost of living (inflation rate) rose 4.1 per cent last year, compared with 2.6 per cent in 1978. The government hoped for a 4.5 per cent annual rate this year. In May, however, inflation was 6.1 per cent higher than a year earlier.

Wage deals in this year's pay round are settling at about 7 per cent, which should help to keep prices and inflation rates comfortably below those in most other Western industrialized countries.

Manufacturing increased by about 7 per cent in 1979. The annual rise in output per man hour was 3 per cent from 1974 to 1979.

Income of the federal and *Länder* governments (including Berlin, Bremen and Hamburg) last year totalled Dm 334,000m, almost 10 per cent higher than in 1978. Expenditure at Dm 375,400m was up by 8.4 per cent, leaving a deficit of over Dm 41,000m.

The federal budget alone has allocated Dm 215,000m expenditure in 1980.

Economy—total supply and demand (Dm1,000m)

	1977	1978	1979
Gross domestic product at market prices	1,197	1,283	1,391
Imports of goods and services	301	311	369
Total supply	1,498	1,594	1,760
Exports of goods and services	331	349	382
Consumption			
— private	637	707	758
—public	239	256	276
Investments	249	277	319
Increase in stocks	12	9	29
Net factor payments abroad	—	−4	−4
Total demand	1,498	1,594	1,760

Source: IMF

Versatile banking system at businessman's bidding

The businessman in West Germany has at his disposal a well-developed and generally highly efficient banking system.

About 5,800 banks have about 44,000 branches throughout the country, resulting in one of the most *comprehensive* banking networks in the world. There is a bank branch for every 1,400 people—a density which is three times that of the United States.

The structure of the banking industry ensures that facilities are available in the country as well as in the cities. The savings bank movement, which is made up of banks tied to individual local authorities, has *roughly 50 per cent of the* German banking market. The cooperative and farmers' banks, which have a strong rural bias, account *for about 20 per cent, and* the private sector banks make up the remaining 30 per cent of the market. The three biggest private banks—the *Deutsche Bank, the Dresdner Bank, and* Commerzbank—which are often thought of as dominating the banking industry, together transact about one-tenth of West German banking business.

Despite *this* variety of structure, based largely on local affiliations, most German banks offer all manner of banking under one roof.

The "Big Three" and the larger regional banks have their own pyramid structures, through which they can offer customers the whole gamut of services including the operation of *current and savings* accounts, portfolio management, loan syndication, export finance, and stock exchange flotations. The *savings and cooperative* banking movements have their own state and national institutes to handle wholesale and foreign business.

The legal framework in which German banks operate—there is no distinction between deposit takers and investment banking—*enabled all groups to compete for the business which* resulted from the expansion of individual wealth in the postwar years.

Although many banking *institutions — particularly* some of the old private houses—were unable to keep up with the pace of social change and fell by the wayside, the number of branches has risen by one *third since the late 1950s.*

In recent years the old class distinctions between the various kinds of German banks have become blurred. Thirty years ago it was fair to generalize that the savings and cooperative banks served the man in the street and the "big three" and other private banks did business mainly with indus*trial and business clients.*

Today, the Deutsche Bank can claim to be the country's biggest savings bank. The savings and cooperative banks are, through their central clearing organizations, involved in such activities as international syndicated loans, *Eurobond flotations, and, in the case* of some of the *Landesbanken*, have even accumulated large equity stakes in West German industry.

In general, the competi*tive atmosphere which pre*vails has benefited the individual customer. A branch manager is likely to meet any reasonable demand, in the knowledge that *if* he did not a rival bank up the *street would probably* be only too happy to step into the breach.

At the other end of the scale, there appears to be a better-balanced relationship between big industry and the banking system than at earlier stages in Germany's history.

Ten or even five years ago, there was considerable *concern at a political level* about the power which banks were supposed to exercise in West German industry and business life.

Today the issue is at least dormant, reflecting a general policy aim on the part of the banks to reduce their direct equity holdings *in industry, the spread of* equal worker representation on the supervisory boards of companies, and a growing government reliance on the banking industry, to *help finance public sector* borrowing requirements.

Accordingly, the present mix of private and public sector banking is likely to continue for the foreseeable future, political pressure in *favour of nationalizing the* remaining private sector banks having lost ground.

The Government's decision some years ago to help set up a special financing institute to provide capital *for that type of risky ven*ture no longer supported by the banking industry is indicative of the problem. As it happens, the Wagnis Finanzierungs - Gesellschaft has been less than a resounding success, but its very foundation points to the miserable state of equity investment in West Germany.

There is a mismatch between the supply and demand of risk capital. Funds are available, as *shown by the willingness of* well-heeled middle class investors to speculate heavily in sometimes dubious and often fraudulent ventures *promising big returns from* raw material exploitation or commodities futures trading.

Bankers themselves complain that such companies *find it easier to raise* capital than a "blue chip" concern issuing new shares on the stock exchange.

Companies have tended to *treat the holders of their* equity as if they were bond holders paying dividends which over the past 10 years have often failed to *offset inflation.*

The result has been a sharp decline in investors' interest in equities, and in turn a reduction in the *proportion of equity in cor*porate balance sheets.

Peter Norman

Caution creeps into mood of optimism

Considering the protracted crisis in Iran, the Soviet invasion of Afghanistan and the apparently unstoppable rise in the price of oil, the *German economy began the* 1980s on a surprisingly—one might almost say uncharacteristically—optimistic note.

After many years in the doldrums, business investment had at least picked up. *Last year spending on fixed* assets by corporations advanced by no less than 15 per cent, contributing significantly to the 4.4 per cent real growth of the economy recorded for 1979 and a sur*prisingly large increase of* 383,000 in the total number of people employed.

This positive mood carried over well into 1980. Although a *note of caution* has crept into the more recent surveys of business opinion carried out by economic research institutes, there still seems a good chance that fixed-asset investment by businesses will exceed 20 per cent of gross national product this *year for the first time since* the boom year of 1973.

Yet opinions on whether West Germany is a worthwhile place to invest differ sharply, with *German businessmen appearing to take a* far more jaundiced view of the prospects in the Federal Republic than many of their *colleagues abroad.*

To put the negative case first, without doubt West Germany has become a high-wage country. The investment *incentives offered* by the federal and state governments appear meagre when compared with other countries in Western *Europe, although a surpris*ingly large area of what is a very affluent country qualifies for regional aid. Taxation is higher than average, the laws protecting the environment are strict, there is a shortage of skilled labour and the system of health and pension insurance is expensive for both the individual and his employer.

On the other hand, the social and political climate is stable. Successive governments since the establishment of the Federal Republic have shown themselves adept at *economic management* with the result that Germany has one of the lowest inflation rates in the Western world. Labour productivity is high, the transport structure in particular *is good and an affluent pop*ulation guarantees an appreciable purchasing potential.

The businessman with the high technology product, or targeting his sales at the large demand that exists for high-value goods, can *most* probably count on a reason*able return on capital after* a few years of subordinating profitability to securing a firm foothold in the market.

These latter points appear to be the considerations that weigh with the still large number of foreign investors that found companies in West Germany. *For although recent official* statistics suggest that *foreign investors are avoid*ing West Germany, international business surveys in*dicate that it is still consi*dered a worthwhile place to invest.

Last year foreign direct investments in West Germany fell to *Dm1,900m*, the lowest net increase since 1962. At the same time net investments by West German companies abroad *advanced to Dm7,800m*, by far the highest level since the gathering of official statistics began.

But it would be wrong to deduce that German companies are deserting their homeland in droves in favour of foreign areas of activity. The growth of direct exports abroad represents far more a catching up after the first two decades following the *Second World War* when priority was given to developing home manufacturing facilities and markets. It is also a logical consequence of the progressive revaluation of the Deutsche mark over the past decade.

A recent survey of 200 leading European, Japanese and American companies carried out by the business international group of Geneva came to the conclu*sion that the Federal* Republic offered the best investment and market opportunities in Europe in the 1980s. However, it is clear that there is scope in West Germany as in other Western countries for improving still further the investment climate.

The chances of the state pursuing a more active *policy designed to promote* investment have probably been helped by the growing agreement among governments that economic poli*cies must in future devote* more attention to what is known as the "supply side" of the economy. Hence the meeting of economics and foreign ministers at the Organization for Economic Cooperation and Development *(OECD)* in Paris earlier this month agreed that investment should be encouraged through removing distortions and rigidities *hampering the operation of* market mechanisms, and through vigorous action against restrictive business practices.

At the beginning of the 1980s West Germany's policy towards investment must strive to maintain the competitiveness of the *country's industrial produc*tion and decrease the Federal Republic's dependence on imported sources of energy.

Recent figures suggest that in one respect research and develo[...]ment—West Germany already well ahe[ad] of Japan and its partners [in] the EEC in terms of expe[n]diture per head, and h[as] almost caught up with t[he] level of *per capita* spendi[ng] in the United States.

Businessmen have lo[ng] been pressing for an i[m]provement in the way which investments a[re] treated under German t[ax] laws and for less bureau[cratic] intervention in bu[si]ness activity. *Moreov[er]* there has been an unco[m]fortable question mark ov[er] the security of West Ge[r]many's energy supplies ev[er] since the country's nucle[ar] power programme becam[e] stalled through the action [of] citizens' action groups [in] the 1970s.

The general agreemen[t] reached at the OECD mee[t]ing this month is unlike[ly] to move the nuclear prote[s]tors. But it could one da[y] incline the Governmen[t] towards more favourab[le] depreciation rules for i[n]vestment compared with th[e] present position, where Ge[r]many comes out badly whe[n] set against such importa[nt] European trading rivals a[s] Britain, France and Austria.

The proliferation [of] government orders affecti[ng] business is not exclusively [a] German problem but th[e] Germans do appear to hav[e] approached the issue wit[h] characteristic thoroughnes[s]. The amount of new legisla[tion] coming from the Fed[er]al Government alone wa[s] three times greater in th[e] four years to 1976 than i[n] the first administration [of] the Federal Republic. It ha[s] been calculated on averag[e] that companies now have t[o] spend about 2 per cent o[f] turnover on administrative and advisory costs to com[bat] this flood of paper.

P.N.

Time even scarcer than energy

Although we are now in the 1980s, *nowhere in West Germany* has a start been made on the construction of a coal or lignite gasification or liquefaction plant. All we know for certain is that not one of 14 such plants that have been projected would be economically viable at today's costs.

This is symptomatic. The free market economy is *shackled in chains of its* own making. No project is taken up if the costs cannot be calculated, but nobody can forecast the *economic factors* that will be operative in the next decade, and as it takes 10 years, including the time needed for design and approval, *before a large*-scale coal liquefaction plant can be built, the 1990s will probably arrive without a single drop of methanol for motor fuel, or gas for the chemical industry, having been produced from coal.

In this industrial nation *there is something scarcer* even than energy, and that is time. Yet however widely it is realized that it is already five minutes to *twelve as far as assurance* of our future energy supplies is concerned, the business risks involved are considered too great, and there is a reluctance to take decisions.

The Federal Government *is aware of the problem*, of course. It is intended that the barriers against investment in new energy technologies should be removed *through government guaran*tees to cover business risks. But if the slogan "Away from oil" is to have any chance of being put into effect, even very partially, the Government, besides providing guarantees for investors, will also need to do something about high energy costs. As matters stand, gasification and liquefaction of coal will become an economical proposition only if energy costs go even *higher than they are now.* But what would amount to sticking their necks out for industrialists is perfectly permissible for politicians: the *Government is now reckoning* on further oil price rises in the hope that this may prove to be the eventual salvation by ushering in a new age of energy based *on* coal and nuclear power.

To understand the nature of West Germany's energy problem one has to know how the energy market is structured. In 1977 energy *consumption amounted to* 369 million tonnes of coal equivalent, of which 63 million was supplied by coal, 35 million by lignite, 192 *million by oil*, 56 million by natural gas, 12 million by nuclear power and nine million by other sources.

Whether gross national product grows over the next few years by 3.5 per cent or, as is predicted elsewhere, by 2.2 per cent, it remains certain that between now and 1995 West Germany's oil requirement will continue to increase substantially, rising to 245 million tonnes coal *equivalent at a 3.5 per cent* growth rate, and to 208 million at 2.2 per cent. Not until the year 2000, at a 2.2 per cent growth rate, would *it be reduced to 184 million.* The percentage share of oil as a primary energy source will by then have fallen from the present 52 per cent to 40 per cent.

But who can be sure that by 1990, even at 2.2 per cent growth, the country will be able to procure the forecast requirement of 206 million tonnes coal equivalent, let *alone the 238 million tonnes* required at the higher projection of 3.5 per cent? It seems more likely that the demand "Away from oil" will be fulfilled as a result of the pricing and production policy of the oil-producing countries rather than by any other means.

It is as certain as anything can be that the growth rate of gnp in the 1980s will be a little under 3 per cent, since a rate of 2.5 per cent is already needed merely for existing living standards to be maintained.

Since natural gas already provides 16 per cent of energy *supplies, and as this* figure can at the most rise to 20 per cent, all that is left —apart from energy-saving, which is after all a one-time operation—is to build up coal production capacity and nuclear power. But there are already a host of problems in both areas.

No one in Germany believes that the Government's plans will become a reality. The catchphrase of the present energy policy is: as much coal as possible, and as much nuclear energy as necessary. A *capacity* of 14,000 megawatts of nuclear energy was planned for 1980, but only 9,100 MW have as yet been installed. Even though plant for an additional capacity of 10,000 MW was under construction at the end of 1979, it is doubtful whether the 23,000 MW figuring in Bonn's *projections* for 1985 will be installed, let alone the 31,000 which, according to the present plan, should be available *to the grid* by 1990.

The nuclear power station at Grundremmingen, one of the focal points in the nuclear debate raging in West Germany.

Not only has the development of nuclear energy been obstructed through public *protests and demonstrations*, as well as by certain politicians, but disposal measures required by the Government are also falling behind. For example, the *intention* was to erect a reprocessing plant and permanent storage facilities for radioactive material at Gorleben, in Lower Saxony: the Government has decided not to go ahead with the reprocessing plant and the permanent storage project is under constant attack by environmentalists, who have been laying siege to the *site and mounting protest* demonstrations and marches. Nuclear plants are accordingly installing temporary storage facilities of their own, so that they can be in temporary control at least of their exhausted material.

Despite this development German energy experts whose views are to be respected firmly believe that the protest movement against nuclear power will die down and that by 1990 nearly 100,000MW will be available from this source, representing 30 per cent of total energy output.

Hans Baumann
Energy Correspondent
Die Welt

هكذا من الأصل

Berlin is safe for business

.at is so, where have .dden all your indus- The foreign VIP, with redulous smile, ques- the information: n (West) is the larg- lustrial city between Moscow and Milan", it is.

ial of Germany no nd not likely to be in eseeable future, West holds with the real- proach that its future its viable, efficient xible economy. The strengthening of a joint interest of nn and the Berlin nents, the Chamber merce and Industry, research and uni- potentials and the ions.

e the signing of the artite Agreement Vest Berlin, an island midst of communist rmany, often was a of tension and felt act of international between East and existing elsewhere. s political situation ved stable indeed, rly in these days of onflicts.

Western powers' es for the city's free- l security are con- rom time to time in able terms— in re- rs on the occasion by Queen Elizabeth dent Carter, Presi- léry Giscard d'Es- d Mr Francis Pym, sh Secretary of De- mplementary agree- connexion with the litated traffic and th flow of goods to n the city remark- siness in, and with, safe as can be.

'ments to the Berlin n Law (BPL) en- investment in the e than before, mak- ore profitable than Germany, an essen- that must not be e provisions of that ncentives and pref- are highly favour- made full use of. he opinion of such s Herr Horst Elfe, of the Chamber erce and Industry, Dr Günter Wilitzki, of BAO, the Ber- eting Board, and t Layton, a former cutive, now chief officer of the Ber- omic Development on.

orporation, set up nber 1978 for the of recruiting, in- nd assisting poten- tors, reported that e short time of its 41 enterprises set- pening up produc- s in the city and nising projects are scussion.

ar among them is Company which will nufacturing fittings ropean car produc- year, followed by ak, manufacturing for liquids. The e smaller ventures, rom a worsted spin- ll to a telephone it firm; from a win- e manufacturer to eder and a public firm. Here it is g that public rela- marketing services in Berlin enjoy the ferences as indust- prises.

versity of the new- roduction program- elcomed, also their izes. Both dimin- risks in difficult times when some branches might drop out: and small and medium-sized businesses may well expand after a succesful start.

The start is made easy by the Government's incentives—those which the investor can claim in accordance with the BPL, and additional ones which a flexible administration may grant, such as providing sewerage facilities and access roads at its expense.

An investment model drafted by Mr Layton's office illustrates that a new industrial production project in Berlin, totalling Dm 5.8m (£1.45m) in fact, costs 17 per cent less because of grants on expenditures on movable and fixed assets.

The remaining 83 per cent can be financed under two loan tranches of 35 per cent each for 10-year terms with principal amortization, beginning in the third year. ERP funds are available for such purposes at low interest rates—at present 4.5 per cent—and 100 per cent payout. In addition, up to £500,000 is available from loan funds under the Berlin Development Loan: interest rates at present 5.5 per cent a year, 100 per cent payout minus 1 per cent bank handling fee. This leaves the investor with but 14 per cent to be financed by himself.

Other incentives include preferential treatment of down payments on machinery and buildings, of investments for plant modernization; accelerated depreciation; value-added tax reduction to between 4.5 per cent and 6 per cent depending on the value-added ratio*; corporate income tax reduction of 22.5 per cent; a 30 per cent rebate on personal taxable income from the Berlin operation.

Incentives are not restricted to the initial investment phase but extend into the production phase, aiding profit maximization and accelerating capital payback. A calculation, comparing identical operations in Berlin and West Germany of the model investment mentioned before, shows that income before and after taxes and cash flow are considerably higher in Berlin and the payback period is shorter.

A capitalist island in a socialist sea may have its disadvantages, but it has its advantages too. Chances for East-West business are good. Experts say that even in times of political tension Berlin surpassed even Vienna by far in this respect. Varinus specialized institutions and agencies offer advice.

All concerned would be glad to see more British firms make use of Berlin's incentives and advantages. They see good opportunities, for instance for cooperation in production and in supplying markets. Small and medium-sized ventures would be particularly welcome. Another incentive, of a different nature, is that there were no strikes in 1970-73, 1975-77 and in 1979, according to official statistics. In 1974, 1976 and 1978, between 8,400 and 38,100 people were involved in strikes—out of a labour force of about 900,000.

Gretel Spitzer

* *West German firms buying Berlin products or services get a 4.2 per cent tax reduction on them.*

The best of the Wurst

The British and the Germans are on the whole united in thinking each other's food is peculiar and not very tasty.

Lovers of food in both countries, therefore, feel there is not much to be said for the other country's restaurants. They think it safer to go to "foreign" restaurants: Italian, French, Greek and Spanish. But that does a great injustice to some British and German restaurant owners and chefs. I have eaten extremely well in some restaurants in the United Kingdom, though admittedly the cooking was based on the French cuisine or the chefs were French, and I can promise gourmets from Britain that they will be able to do the same on business trips to West Germany.

More so, perhaps, since over the past few years the number of good restaurants (nearly all offering a French-style cuisine, in other words the best type of cuisine) has grown considerably. Indeed, the strictly French *Guide Michelin*, for 1980, allots one star to 140 restaurants in West Germany, while nine get two stars and one the rare and much-coveted three stars (only 20 restaurants in France have this award, and two in Belgium; apart from these, and the one in West Germany, no restaurant outside France has ever been awarded three stars).

The three-star restaurant in Germany is in Munich. It is called the Aubergine, and the proprietor is Herr Eckart Witzigmann, an Austrian, who finished his training abroad under the celebrated Haeberlins at Illhaeusern before setting up on his own in Munich. He was largely responsible, through the example he set, for the encouragement of the new German star class cuisine, mostly practiced by young chefs.

Munich is one of the national gastronomic centres in West Germany. A restaurant which is almost as good as the Aubergine, and which is certainly more comfortable and has far more seating, with a very modern decor, is the Tantris, which has won itself two stars. You can also get a table there at lunchtime without having to book, though generally speaking it is essential to reserve a table in good time at all the restaurants listed here.

The former German capital, Berlin, has lost much of its reputation for good food. The best restaurant by far for quality is one run by a Frenchman, the Maitre (two stars in the Michelin), where the cooking is strictly French haute cuisine of the lighter kind. It is quite a small place, but there is a good chance of finding a table free for lunch.

Anyone fond of Italian cooking should go to Anselmo, which produces the best Italian cooking in Berlin; the decor is not typically Italian, but the place has been got up to look like a modern design studio. It is very suitable for businessmen, as there is a socket by each table for plugging in the house telephone.

Some of the big Berlin hotels also offer class cuisine. One such is the Hotel Berlin, and another the Schweizer Hof nearby. The food at the Hotel Kempinski is also usually well spoken of, but renovation work will be going on during the summer so that I hesitate to recommend it as an agreeable place in which to enjoy good food. By the autumn, perhaps, it could once more be a place to go to.

My next choice in Berlin would be the Conti-Fischstuben, which specializes, as the name implies, in high class fish dishes. Those who like Czechoslovak cooking could try the Zlata Praha, a few steps from the Maitre.

In my opinion, the best place to go to in West Germany's principal banking centre, Frankfurt, is a modest little *bistro* in the French style, Erno's Bistro. In the summer you can sit outside (provided you can manage to book a table). The cooking is the sort of cooking you find in a really good French provincial restaurant; the bill will be pretty high.

The two next best places are both hotel restaurants: the Französisches Restaurant in the Frankfurter Hof and the Rötisserie in the Inter-Continental. For those who want to have a good meal at the airport the Rôtisserie 5 Continents can be recommended. A small, very reputable restaurant in the centre of town is the Maison Pierre, and Le Caveau can also be recommended. The latter has a fairly small but usually excellent selection of dishes and, as the name implies, one eats in a (very agreeable) cellar.

Anyone attached to good eating in pleasant surroundings can find some first class opportunities in Hamburg. At the top of the list is the Landhaus Scherrer, followed by Le Canard, the Auberge Française and the Landhaus Dill. Among hotel restaurants are those in the Atlantic and Inter-Continental hotels, both of which have a good reputation. Regional cooking can be found at the Vierländer Stuben in the CP Hamburg Plaza at the conference centre.

The industrial heart of West Germany is in the state of North Rhine-Westphalia, but the state capital, Düsseldorf, is somewhat overshadowed from the culinary point of view by its neighbour, Cologne. All the same Düsseldorf has something worth while to offer the gourmet: in particular Im Schiffchen in the suburb of Kaiserwerth, which despite its German name offers a first class completely French menu. This restaurant is quite small, but the Orangerie is even smaller. More space, and equally good food, is to be found at the Walliser Stuben and the restaurant in the Breidenbacher Hof, the Grill Royal.

There is one thing which, unfortunately, nearly all the places I have listed have in common. They are very expensive, even by West German standards.

As a rule of thumb it can be said that for a full but not extravagant meal, consisting of starter, main course, cheese, dessert and coffee, unless one deliberately picks out the cheapest dishes one will have to reckon on having to pay, almost every time, between Dm70 and Dm100 a person—without drink. Wine can easily bring the bill up to between Dm100 and Dm130 a person—though of course it can be very much higher, depending on how much you drink.

Gert von Paczensky
columnist,
Essen und Trinken

A Government minister, a banker and three industrialists are interviewed by Frank Carmichael, Karl Grün, financial correspondent for *Neue Zürcher Zeitung* and *Wirtschaftswoche*, and Horst Kerlikowsky

Long range he's optimistic

Dr Otto Count Lambsdorff, the Economics Minister, believes that the slower rate of growth indicated for this year is *temporary*, and that the long-range outlook gives both the veteran and the debutant businessman reason for optimism.

"Social recognition of the independent businessman has once more improved" Count Lambsdorff said in reply to questions. "For that reason, many find once more that it is fun to be an entrepreneur". Count Lambsdorff himself has never been an independent businessman, although he did reach the top rung of management.

He studied and later practised law, then worked in the credit industry, becoming a general representative of a private bank and a member of the board of an insurance company.

Count Lambsdorff is politically a liberal. Joining the Free Democratic Party in 1951, immediately after passing his first state examination. In 1972 he was elected to Parliament, immediately becoming the party's parliamentary spokesman on economic affairs.

Chancellor Helmut Schmidt appointed him Minister of Economics in October 1977, to succeed fellow Liberal Herr Hans Friderichs, *who resigned to become* head of the Dresdner Bank after the terrorist murder of its former chief, Juergen Ponto.

West Germany is particularly sensitive to international unrest because it depends to such a great degree on imported raw materials, while *its manufacturing* industry is oriented to an unusual degree to exporting—"every fourth job in the Federal Republic *depends on exporting*. But by international standards, our economic situation must be seen as stable", Count Lambsdorff said. He added: "despite a high-cost level, we remain competitive on world markets. This year, we probably will reach a *real growth of* between 2½ and 3 per cent". This represents a slight fall compared to 1979's good result of 4½ per cent.

"But we believe that this sag is of temporary nature. Only we assume that we can count on real economic growth of between 3 and 3½ per cent in coming years".

West Germany has embarked already on a long-term campaign to reduce its dependency on imported oil, by *saving* energy and by forcing the use of domestic gas and coal, greater use of alternative sources of energy and expansion of nuclear power.

"Nuclear energy is indispensable", Count Lambsdorff said. "Not only does it play an increasing role in the supply of our electricity, but it is also of the greatest importance for all technologies based on it, *as for example*, coal refining, which we want to push forward in grand style. in order to maintain our competitiveness as a supplier *of technical plant and* of skill and knowledge generally. Without nuclear energy we will not have sufficient economic growth".

Count Lambsdorff expects "no revolutionary development of technical progress" during this decade, but does expect structural adjust*ments resulting from mod*ernization and the increasing application of microelectronics, data processing and communications techniques.

He said: "Modernization of Industry does not endanger working places, but makes them more secure. Of course, there will be *structural changes* that will affect the job market. This applies particularly to the less qualified workers. But well-trained workers who continue to improve themselves will have excellent opportunities.

"The new techniques allow us to see at the same time a considerable potential on innovations that will create new working places. And beyond that, the global need for investment to solve our energy, raw material and environmental problems opens new chances for growth and for employment".

Count Lambsdorff does not agree with the lobby that fears measures to protect the environment will hinder business growth. "I am opposed to abrupt prohibitions and restrictions in this area that would give business too little time to change over and to adapt", the minister said. "That would provoke growth loss and beyond that, undesired structural changes. But in the long run, protection of the environment, which requires new technologies and investment, will contribute to economic growth, as well as to improvement of our exporting position."

Count Lambsdorff hopes, however, that regulations to protect the environment will not differ so widely from country to country as to distort competitiveness.

The minister rejects suggestions, heard also in West Germany and often from environmentalist groups, that government and society should move toward "no growth" policies.

"No growth would have obviously negative results for private prosperity, for social security, for employment, for national and international political peace", Count Lambsdorff said.

Dr Otto Count Lambsdorff

Gentle voice

At first sight, Herr Kühnen's appearance makes you wonder whether this 68-year-old partner in one of the oldest and most influential German private banks, Sch, Oppenheimer Jr & Cie of Cologne, might in the end be *surrounded by heel-clicking subordinates*. Hearing his gentle Rheinish voice explain to you the virtues of sound bookkeeping and—*almost* in one breath—of a healthy country life (for the past one and a half decades he has been a keen amateur farmer in *Bavaria*) thoughts of that sort are immediatey dispersed.

Here is a *privatbankier in* the true tradition, a man whose advice is sought for obviously good reasons—by wealthy families such as the Thyssens, the Klöckners, the Wolffs or the Agnellis as well as indirectly by an impressive clientele of hundreds of thousands of small people, if one chooses to include the insurance *interests of the group* (Colonia Verricherung, Germany's second largest) and the mortage bank Rheinboren in the *distinguished* Sal Oppenheimer's empire.

German banks are not at present enjoying their most profitable period. On the contrary, the publication of the 1979 results has increased a wide awareness of squeezed profits.

This puzzles outside observers, especially those who are accustomed to the fact that in Britain, for instance, the profitability of banks tends to increase in accordance with higher interest rates. In Germany, though, higher interest rates have resulted in lower bank profits. Explaining this, Herr Kühnen, who is also president of the Bundesverband deutscher Banken (German bankers' association), does not stop at such observations as that intense competition for borrowers on one hand and extremely interest rate-conscious depositors on the other, result occasionally in serious funding problems and over-extended balance sheets. Nor does he *emphasize the undeniable* fact that sharp increases in the level of interest rates have necessitated huge depreciations of security values. He indirectly sees all that as leaving management with room for improvement when he drily remarks: "Not always has the matching of maturities been consistent".

However, the worst may be over. After the cruel *first quarter* of 1980, improvements are visible. At least lower interest rates at the long end of the market give, according to Herr Kühnen, *cause for hope* that security assets need not be written down further this year. A peculiarity of German accounting practice *does not allow for a reva*luation of assets which have been depreciated before. The eventual formation of hidden reserves in those, *brutally* mutilated bank balance sheets seems to be a certainty therefor.

The lessons to be drawn from smaller margins for the banking community at large? Banks, according to Herr Kuhnen, should be more discerning in the terms they offer to their borrowers. "You have to say 'no' more ofen". Technical processes within the banks need modernizing and rationalizing and—touching one of the most delicate issues in a country whose population has so far enjoyed the benefits of intense competition among banks by offering a wide range of services for very low fees—"banks should become more cost-conscious in regard to the services they render".

'Chef to 6,000

He is 63, the owner and the boss. He has 6,000 employees working for him in three German factories. Professor Rolf Rodenstock is in undisputed control of Optische Werke G. Rodenstock in Munich, now run by the third generation *of his family*.

Yet, each employee still has direct access to him, should there be a personal problem or any complaint about unfair treatment from a superior.

He regularly tells his employees about the development of the company, its perspectives and its problems. The latest message in the Rodenstock house magazine *Gute Sicht* (Good View) is: "With our cost levels, we cannot hold out any longer against most of our foreign competitors with our usual methods and our old product range."

There is a solution in sight, at least in the view of Professor Rodenstock: "Our only chance is to develop new products which are still more suitable to the market's taste. Quality must be best as must our service. And our marketing must be more systematic still."

Translated into practical measures, ideas like these lead to ever new styles, colours and designs for his spectacles and sunglasses. It also implies tackling the market on a worldwide basis, through subsidiaries wherever possible.

Forty per cent of the group's DM 460m turnover last year came from abroad, while production is almost completely concentrated in Germany. Furthermore, Rodenstock aims to set aside 10 per cent of the total turnover for research and development in precision optics, ophthalmological equipment and processing machines for optical workshops.

Professor Rodenstock would like to see the methods which have apparently helped his own firm to *succeed* applied by all his fellow-businessmen in Germany. In his capacity as president of the Bundesverband der deutschen Industrie (BdI), and *thus* indirectly representing 110,000 industrial firms, he does not hesitate to proclaim the need for yet more research and development to achieve higher productivity and improved product service.

He thinks that to transfer *production to other* countries where labour costs are lower is not necessarily the ideal solution to the problem of high production costs. First, there *might* be a shortage of skilled workers in most of the relevant countries, and second he sees a direct link between developing *high technology* in Germany and the experience being won by producing it.

His opinion and advice weigh heavily in a wide range of other organizations where he holds offices, from the German-Swiss Chamber of Commerce and the German-Austrian Chamber of Commerce to seats on the supervisory boards of Esso AG (Germany), Gerling Insurance and the reassurance group Münchner Rück.

His party political sympathies clearly lie with the Christian Democrats (CDU) and the Christian Social Party (CSU). He is known to be among the organizers of a funding campaign for the election of the CDU/CSU's top candidate, Herr Franz-Josef Strauss.

Yet his relationship with *Chancellor Helmut Schmidt* does not appear to have suffered from that. His feelings towards Chancellor Schmidt seem to be the same as those of many industrialists in Germany: "Schmidt is all right; his only mistake is to belong to the wrong party, the Social Democrats (SPD)."

A man against profits

Wilfried Heidt represents a new breed of businessman, one who considers the profit motive to be the root of modern society's evils. At 39, *he* is one of West Germany's "*Greens*", a member of a new political party deovted to protection of the environment from the ravages of man-made and political pollution.

Herr Heidt and several like-minded colleagues have put their political beliefs into business practice, creating the Union of the Third Way, an association of 12 small firms whose products range from electronic and computer to catering and hotel equipment.

"We are pioneers", he said. "*We are economic and* cultural business people, but we have dissociated our*selves from profits*. Everything here is market-oriented production. The different thing about us is what we do with the surplus. *We put it into a foun*dation to finance cultural and educational activities."

The need to make profits forces constant growth and that, in turn, squeezes out the small businessman, Herr Heidt believes. He and his "Green" Party therefore oppose quantitative growth in principle, "especially when it is pushed out of pure greed for profits".

He does not foresee an energy crisis arising.

"We must change the accent from supply of needs, which simply increases the perceived needs, *to satisfaction of needs*", Herr Heidt said. "If we look at it from that direc*tion, nuclear power* is unnecessary. It has no economic value. There is no acute need for additional energy."

Expressing a belief that monetary *and* economic systems should be uncoupled, he said: "Until they are, we will face growing joblessness and growing loss of independence of small businessmen."

Asked what motivation could replace the profit motive, he replied: "The central notion here is to perform some service for one's fellow man. A lot of young persons feel responsibility for, and to, all mankind. There is plenty of work for them. We do not have enough people willing to work with us, probably because *those* who share our views do not yet know we are here."

'Destructing' concrete

Wolfgang Düren an investment counsellor decided that one particular *opportunity* that came knocking on his door four years ago was meant just for him. As a result, Herr Düren is today a partner in West Germany's youngest but largest concrete-sawing firm.

"Diabos Zentral GMBH is a service company sawing *concrete with diamond saw* blades and with diamond core cylindrical blades", Herr Düren said. Actually Diabos is a group of companies, with Herr Düren and his Munich partner creating a new subsidiary firm in each additional city in which they operate, usually making local management a partner there.

Diabos today is located in Munich, West Berlin, Cologne, Düsseldorf, Stuttgart, Karlsruhe and Augsburg in Germany, and in Salzburg. The group employs about 70 workers, all of them highly skilled and paid top wages. In Munich that means 18 marks (£4.33) an hour.

"Essentially we destruct *concrete*", Herr *Düren* explained. "We drill holes in concrete, we cut holes in concrete for doors, we remove stairs, we cut holes *for lift shafts*".

The Diabos system has been in use in the United States for some time, Herr *Düren said*. But although it *was known* in the West German construction trades, it was hardly used in West Germany until an engineer and Herr Düren set up their company in 1977.

"We eliminate the noise of the compressor", Herr Düren said. "Our equipment is driven by electrical hydraulics or, if outside, by diesel. We make clean cuts, reduce debris, cut noise, and do not disturb the remaining concrete, which is important for the statics of a building."

A lot of Diabos's work is performed in older concrete buildings being remodelled, with lifts being added. In its first year, Herr Düren and his partner grossed Dm500,000 (£120,000). In 1978, that rose to Dm2m (£290,000), increased to Dm4.2m (£1m) last year, and should reach Dm9m (£2.15m) this year.

Herr Düren, the engineer and another lawyer financed the first three companies privately. After that, they borrowed from the banks because they were buying a lot of equipment fast and had little liquidity.

"I think the German economy will continue to grow, without many problems, although we may have to shift around some to accommodate to the rising energy prices", Herr Düren said. "But the great unknown is the world political situation."

Herr Düren's advice to any other young person looking for a business opportunity is to go into a service company rather than into production. "Production costs more and is riskier", he said.